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ACRONYMS & ABBREVIATIONS

ACIP	Afro-Colombian and Indigenous Program
AFS	Agricultural Financing System
ANIF	National Association of Financial Institutions
BDO	Banca de las Oportunidades
CAF	Latin American Development Bank
CELI	Consolidated and Enhanced Livelihoods Initiative
CMH	National Center for Historical Memory
CONPES	National Council on Social and Economic Policy (White Paper)
DANE	National Department of Statistics
DNP	National Planning Department
DPS	Administrative Department of Social Prosperity
FNG	National Guarantees Fund
FOMIN	Inter-American Development Bank's Multilateral Investment Fund
GOC	Government of Colombia
GRS	General Royalties System
ICP	Instituto de Ciencia Política
IDPs	Internally Displaced Persons
INCODER	Colombian Rural Development Institute
IOM	International Organization on Migration
LCDS	Low Carbon Development Strategy
LEDs	Low Emission Development Strategy
MARD	Ministry of Agriculture and Rural Development
MOF	Ministry of Finance
PDRIET	Comprehensive Rural Development Program with a Territorial Focus
PNNU	National Natural Parks Unit
Program	USAID Public Policy Program
REDD	Reduced Emissions from Deforestation and Degradation
SCG	Savings and Credit Groups
SENA	National Learning Service
SINAP	National System of Protected Areas
SINIDEL	Labor Demand Information System
SMEs	Small and Medium sized Enterprises
SNARIV	National System for Victims' Assistance and Comprehensive Reparations
TNC	Third National Communication on climate change
UAF	Family Farming Unit
UNIDOS	Network for Extreme Poverty
USSD	Unstructured Supplementary Service Data
Victims' Law	Victims' and Land Restitution Law/Law 1448 of 2011
Land Restitution Unit /LRU	Special Administrative Unit for Land Restitution Management
Consolidation Unit /UACT	Special Administrative Unit for Territorial Consolidation and Reconstruction
Victims' Unit / UARIV	Special Administrative Unit for Integral Victims' Assistance and Reparations

EXECUTIVE SUMMARY

After fifty years of violence, the greatest challenge facing the Colombian government (GOC) today is that of securing conditions to provide reparations for more than five million victims of the Colombian internal armed conflict over the next 10 years, a purpose to which the USAID Public Policy Program is fully committed. The technical assistance that the Program has provided to the GOC has contributed to the implementation of major reforms, notably the laws and regulations that make possible the comprehensive reparation of victims, which includes not only economic compensation, but also the restitution of illegally seized land. Likewise, the Program has given decisive support to the GOC for the creation and operation of public entities that will be responsible for achieving these ambitious objectives. As the Program activities come to an end, the fundamental priority is to guarantee the sustainability of these results.

The Program's technical assistance produced compelling results that are seen today in the creation and operation of the Department of Social Prosperity, the Victims' Unit (UARIV), the Land Restitution Unit (LRU), the Territorial Consolidation Unit (UACT), and the National Center for Historical Memory (CMH). The Program's efforts have also led to the strategic transformation of the INCODER, which plays a vital role in achieving this fundamental objective of the GOC. The coordinated operation of this complex and novel institutional framework will ensure the successful implementation of individual and collective reparation plans; the delivery of economic compensation to victims in administrative proceedings; and the restitution of illegally seized land to their legitimate owners, or the titling of *baldíos* (state-owned lands) and the formalization of rural property titles in order to restore the right to land for victims, dispossessed peasants, and indigenous and Afro-Colombian minorities.

The future sustainability of the Comprehensive Reparations Policy for victims of the Colombian conflict depends on two key factors: a) institutional strengthening for the stable and lasting management and operation of these entities; and b) intensification of the reforms through the implementation of new policies that address the roots of the conflict, derived from land disputes, extreme poverty and abject social inequality. The most important of these reforms is the Rural Development Policy with a Territorial Focus, on which the USAID Public Policy Program has had a profound impact through its contributions to the drafting of the proposed Rural Development Law, and its assistance in designing and piloting the first Comprehensive Development Rural Programs with a Territorial Focus (PDRIETs), which are the key instruments for expanding this Policy's implementation.

During Q10, the Program made substantial progress in securing this main objective, thanks to a series of major results that included strong advances in: 1) the implementation of the PDRIETs through the establishment of a National Rural Development Committee formed by 14 national entities. The Committee's operation will ensure interinstitutional coordination, budget alignment and pilot program replication; 2) the strategic realignment of the INCODER and the UARIV through the application of a performance-based management model; 3) the strengthening of the SNARIV, in which 47 national entities now participate; and 4) the development of two sets of indicators that will be used to build the Consolidation Index and the Consolidation Commitments Monitoring Dashboard, which will become the backbone of the Consolidation Policy Monitoring and Evaluation System.

In Q10, the Land and Rural Development Pillar continued focusing its efforts on the strategic strengthening of the management and operational capacities of entities serving the Agriculture and Rural Development Sector and the Social Inclusion Sector. At the same time, the Program advanced decisively in providing the GOC with policy instruments to enhance the flexibility of the offer of services designed to meet the specific needs of the target populations, and to address the special conditions of the different territories in which each policy is to be implemented. The Program also made significant

contributions to improve the coordination between the nearly 50 public institutions that are involved in the Victims' Comprehensive Assistance and Reparations process.

During this last Quarter, the most important achievement of the Land Pillar was the strategic realignment of the INCODER using a performance-based management model that incorporates a planning-monitoring-evaluation cycle designed with support from the USAID Public Policy Program. As a result of this accomplishment, the Program was successful in assisting in the design of, and attainment of approval for, the Institute's 2013-2014 Strategic Plan; designing its 2013 Territorial Action Plans; improving its budget planning process; and preparing contracting specifications for the execution of the "Program for the Implementation of Productive Projects". This model has become an innovative tool for the modernization of public entities and is being applied in the Victims' Unit and the Land restitution Unit.

Concurrently, the Land and Rural Development Pillar continued to support the successful implementation of the Comprehensive Rural Development Programs with a Territorial Focus (PDRIETs) by assisting in the establishment of a national rural development committee, led by the DNP, to monitor the implementation of programs, align the investment budgets of the several participating agencies, develop a cross-cutting operating model, and monitor the implementation of the PDRIETs. In addition, the Program made decisive progress in the construction of the household baseline, the collection of community information and coordination with the entities involved in the development of income-generating initiatives for the PDRIET pilot program of Chaparral (Southern Tolima).

In addition to the above, the first training workshop on the Security Protocols designed by the Program was conducted for the regional officials of the Mocoa (Putumayo) Restitution Unit, one of the municipalities with the greatest risk levels in the Country. These workshops will enable LRU personnel to develop in the future security strategies for field work in a wide range of core activities within the administrative phase of the land restitution process. Thanks to these crucial advancements, in Q10, the Land and Rural Development Pillar fulfilled 82% of the Program's planned results.

For its part, the Program's Victims' Pillar also achieved important results in Q10, notably the strengthening of the SNARIV through the inclusion of five new entities in the System; the provision of key recommendations to the System's Technical Secretariat for improving the SNARIV's operations; and the definition of the Concept of Minimum Subsistence as a tool for establishing the scope of the humanitarian care services to be provided by the GOC.

One of the major efforts made by the Victims' Pillar during the last quarter was directed at consolidating improvements in the UARIV's management practices and strategic planning. A very important achievement was the definition of the Unit's Strategic Map, based on a management-by-results model, with the participation of its national and territorial teams. This Strategic Map has enabled the Unit to establish its strategic objectives, and to reorganize the strategic goals, tactics and operations of its different levels on the basis of these objectives.

In this way, the Unit's administrative support and budgeting processes were linked to its vision and mission. In addition, the Victims' Pillar provided important coaching to improve the management skills of the Unit's executive team, an extensive process of soft skills training that strengthened the team's planning, time management and assertive communication skills. As a result, the UARIV now has better management tools, and it has more strongly appropriated planning processes as the core feature of its organized and systematic management, which is oriented to the achievement of its results during the current period.

At the same time, the Program was successful in providing assistance to the GOC for the consolidation of synergies between the Victims' Unit and the Department of Social Prosperity and its attached agencies; the improvement of the management capacity of the Victims' Unit through the redefinition of its strategic map, the strengthening of its Planning Advisory Office, and the improvement of its hiring and budget execution processes; as well as the drafting of regulations for a System of Territorial Joint Responsibilities for the implementation of the Victims' Law. Thanks to this set of results, by the end of Q10, the Victims Pillar had fulfilled 97% of the expected results.

During Q10, the Consolidation Pillar also reported key achievements in the development of the National Consolidation Policy, with decisive advances made in the design of the battery of 39 indicators that will be used to construct the Consolidation Index, as well as in defining the additional indicators that will be part of the dashboard that the Unit will use to measure its results and compliance with the budget commitments made by national entities in consolidation zones.

The Program also made significant progress in designing a new operating model to improve the performance of the Consolidation Unit's Rapid Response Program (RRP) after its first year of operation. The Consolidation Pillar was successful in providing technical assistance for designing new instruments for the effective coordination among the Colombian state agencies that are responsible for the execution of the PNCT; proposing a portfolio of alternatives to enhance the flexibility of national services in consolidation zones; and completing the first phase of workshops for strengthening the capacity of the territorial entities targeted by the Consolidation Policy to formulate projects to be funded by General Royalties System resources. Thus, by the end of Q10, the Consolidation Pillar had fulfilled 88% of the planned results.

No less important was the support given by the Program to the Presidential High Commission for Women's Equity in completing the inclusion of a differential and participation focus in the model for providing relief, assistance and reparations to victims, with an emphasis on gender and ethnicity, and in delivering recommendations to this Commission and the INCODER for the regulation of the Law on Rural Women.

Equally significant were the recommendations for the Sustainable Urban Development and Construction Policy that the Program delivered to the National Planning Department (DNP) after performing a thorough diagnosis and analysis, in order to provide a general and detailed framework for the policy's development.

The GOC's decision to ensure the institutional modernization of the rural development sector in the short term will make it necessary in Q11 for the Program to contribute with strong technical resources to improve the design of institutional reforms of the MARD and the INCODER that will ensure the sustainability of the implementation of the Comprehensive Rural Development Policy with a Territorial Focus. Meanwhile, the Victims' Pillar will focus on establishing the performance-based management framework of the Victims' Unit, consolidating the interinstitutional coordination framework of the SNARIV, and providing the GOC with final technical criteria for determining the limits of humanitarian assistance for victims. In addition, the Consolidation Pillar will concentrate its efforts on providing instruments for monitoring and controlling the PNCT's implementation, which will strengthen not only the management and decision-making processes of the agencies linked to the National Consolidation Policy, but also the interinstitutional and intersectoral coordination that will optimize its impact.

Similarly, the approval of the white paper (CONPES Document) on gender equity for women in Q10 has provided a great opportunity for the coordination of this policy with the policy related to violence against women and the victims' and rural policies.

In conclusion, to date, the Program has achieved 89% of expected results. Given the strong pace of execution of the USAID Public Policy Program in Q10, it is anticipated that all of its funds will be obligated by the end of Q11, paving the way for the development of its Closeout Plan and the completion of its operations at the end of calendar year 2013.

PILLAR I: LAND POLICY

Ambitious governmental goals related to land restitution, the formalization of rural property, and the implementation of the rural development policy. The GOC plans, by the end of 2014, to restore land to 160,345 families who have been dispossessed because of the internal armed conflict, as well as to complete the formalization of ownership of 2,055,000 hectares for 107,594 families, results that will be crucial for resolving the root causes of the conflict, narcotrafficking and poverty in Colombia.

The Land Pillar continued to support implementation of the land restitution chapter of the Victims' and Land Restitution Law/Law 1448 of 2011 (the Victims' Law); advance the Colombian Rural Development Institute's (INCODER) institutional reform and improve its management capacity; provide technical assistance to the National Planning Department (DNP) for the design and pilot implementation of the Comprehensive Rural Development Programs with a Territorial Focus (PDRIETs); design the rural property formalization program; develop the Land and Rural Development policy; facilitate the institutional strengthening and successful operation of the Land Restitution Unit (LRU); and support the modernization of the Ministry of Agriculture and Rural Development (MARD).

The LRU strengthened several of its key processes, including the budget, financial, and procurement planning processes, with Program support. The new processes strengthen the capacity of the LRU to manage by results by linking these processes to a performance framework. The Program also supported the LRU's methodology for assessing security risks and developing protocols to manage these types of risks.

To strengthen coordination between the LRU and the Victims' Unit, the Program provided support in the development of a joint action plan that is designed to facilitate the implementation of restitution rulings and the return of victims to their restituted plots.

A key achievement was the establishment of a National Rural Development Committee, led by the DNP and MARD, which brings together 14 GOC agencies that are responsible for providing integrated rural development solutions, including services, infrastructure, access to land, and livelihoods. This Committee is responsible for prioritizing investments in regions where the GOC will implement PDRIETs. The Committee oversees the development of the Budget Request Letters that agencies submit to the DNP, and coordinates and monitors the implementation of investments, which are linked to targets in terms of vulnerable families benefited by increased incomes and assets. To date, two pilot projects have been designed and are being implemented in Southern Tolima and Northern Cauca. The GOC, with support from the Program, has developed a strategy to monitor and evaluate the impact of this new approach to rural development. Based on the results of these evaluations, other regions will follow in the near future. The Program's technical assistance also helped to ensure that all of the agencies that are participating in this initiative, including the DPS, SENA, Victims' Unit, MARD, INCODER, and the

Consolidation Unit, commit to roll out this territorial strategy, evaluate its outcomes in the pilot regions, and perform timely assessments to inform the replication of this approach nationwide.

In addition to aligning the investment budgets of GOC agencies and establishing a regional service center for rural development, the Southern Tolima pilot project establishes a regional prioritization of public goods; develops market access studies; and resolves property disputes through coordinated activities with the GOC's land tenure rights programs, which are executed by the INCODER and the MARD.

The strategic and operational realignment of the INCODER as a result of USAID Public Policy Program support merits special mention because of its significant impact. The Program successfully assisted in securing the design and approval of the INCODER's 2013-2014 Strategic Plan, which focuses its work on areas in which the armed conflict and high levels of rural poverty persist. Defining the strategy was followed by several steps to ensure its approval in terms of the Institute's operations and budget execution, including a) the design of the 2013 Territorial Action Plans; b) interinstitutional coordination with the LRU in processes related to the resolution of land disputes; c) improving its budget planning process and training the staff of the Sub-Directorate of Land on administrative contracting; and d) preparing contracting specifications for the territorial operators in Northern Cauca and Southern Tolima who are responsible for the execution of the "Program for the Implementation of Productive Projects".

During Q10, the Program also contributed to a number of very important results in advancing the Agriculture and Rural Development reform agenda established by the GOC, by:

- Designing strategic orientation criteria for the institutional modernization of the MARD, by identifying the challenges faced by the sector in a global and national context, determining the public policy areas in which the MARD should intervene, and designing a basic structure for the sector's institutions and their interagency coordination.
- Creating a specialized group of experts to review the GOC's draft decree for the reform of agrarian processes within the framework of the implementation of the Comprehensive Rural Development Policy with a Territorial Focus.

Results, Milestones and Activities

Result 1.1: Land Restitution Chapter of the Victims' Law Implemented

Milestone 1.1.1 Land Restitution Unit Established

Activities

1.1.1.a. Ensure coordination between Consolidation, Victims' and Land policies:

During Q10, the Program continued supporting the implementation of the Technical Secretariat of the Restitution Subcommittee of the National System for Victims' Assistance and Comprehensive Reparations (SNARIV), as part of an effort to establish coordination between the Victims' and Land Restitution Units at a regional level.

The Program assisted in designing a strategic action plan to successfully coordinate the efforts of these two Units in providing victims with comprehensive reparations in an effective and timely manner. This action plan includes the design of a methodology to enable the two Units to comply with the rulings

issued by restitution judges, as well as a manual containing guidelines to monitor return processes in selected regions. This effort will continue in Q11.

The Program continued supporting the implementation of the inter-administrative agreement signed in Q9 for the coordination of these two Units. As a result of the assistance provided, each Unit created a technical group to take and monitor joint actions aimed at identifying the different types of return processes that should be carried out: a) those resulting from judicial rulings (either in collective or individual reparation proceedings); b) those involving ethnic communities; and c) those resulting from administrative restitution processes, given that each of these return processes entails different institutional responses in the regions. In Q11, the Program will document these actions, and design the programs required for the successful implementation of these different types of return processes.

The coordination of institutional actions to secure the sustainability of return processes is one of the most critical challenges facing the GOC, as once restitution rulings are issued, successful returns become a priority for the national, regional and local entities participating in the process. The Program will focus most of its resources in future quarters on supporting this phase of the comprehensive land restitution and reparation policy for victims.

1.1.1.b. Support the review and streamlining of Land Restitution Unit (LRU) administrative processes – planning, contracting, and budgeting:

The Program is providing support to the Land Restitution Unit to strengthen its capacity to implement results-based management in order to integrate strategies, resources, processes, and M&E systems to meet the ambitious land restitution targets of the GOC. In addition, the Program is providing support to strengthen the LRU's capacity to promote interagency coordination in the context of the SNARIV for the restitution of land and to encourage the return of victims to their land plots.

During this quarter, the Program supported the review of the financial, budgetary and procurement planning processes in order to introduce quality and performance criteria to make them more effective; the adjustment of the FY 2013 Budget Request Letter and the formulation of the FY 2014 Budget Request Letter in order to introduce, for the first time, a results-based framework that relates budget needs to results; and the development of the FY 2013 procurement plan linked to the LRU's targets.

During the next quarter, the Program will support the LRU in the review of the Unit's Strategic Plan the results-based framework, including an update of the LRU's objectives and results, and the implementation of the M&E system in connection with the DNP's SINERGIA framework. The Program will also assist in the review of another three strategic processes of the LRU, including prevention, security risk management, and strategic communications.

A. Improvement of Investment Budget Planning

The Program supported a review of the LRU's financial and budget planning processes for the purpose of strengthening them. The Program met with all of the officials responsible for the implementation of these processes in order to identify bottlenecks, duplications in processes, risks, and low-value-added activities. In subsequent workshops with the LRU budget and financial management staff, the Program recommended adjustments to the processes to improve their efficiency and identified quality control stages to assess performance.

The Program also supported the adjustment of the 2013 Budget Request Letter and the formulation of the 2014 Budget Request Letter (*Ficha EBI*) that the agency filed with the DNP. In the past, the LRU's Budget Request Letters had vague targets and objectives that were not linked to activities, programs and budget needs. The Program provided technical assistance to the LRU's Planning Office to develop the Budget Request Letters using a value chain methodology that works backwards from the results framework to the budget needs. Under this new methodology, all of the inputs and activities needed to meet a given result must add value, and this added value must be correlated to a budget need. The review of the 2013 Budget Request Letter using the value chain methodology led to the identification of a number of activities that contributed little or anything to the LRU's restitution targets. For instance, the LRU had activities and budget allocations in the FY 2013 Budget Request Letter to support land use management, which is not a responsibility of the Unit, and which adds little value to the restitution process and targets. These activities that added little value to the restitution process were replaced by new activities associated with the processing of restitution claims, the gathering and processing of restitution evidence, the judicial representation of victims, and the post-judicial material restitution of the land plots to victims. Each one of these activities now has targets and budget allocations linked to them.

The Program not only assisted the LRU in developing the budget requests, but also provided training to the LRU's Planning Office staff to ensure that they can continue to use this methodology to develop their Budget Request Letters in the future. The Program also provided training to the LRU's staff on using the DNP MGA procedure for submitting the Budget Request Letters and registering them in the DNP's investment budget registry.

B. Improvement of the Procurement Process

The Public Policy Program performed a review of the procurement planning processes in the LRU. The assessment identified the lack of procurement planning methodologies and tools. The Program collected information to identify bottlenecks, activities lacking added value, and duplicative or empty actions. In response to these findings, the Program designed a draft proposal for optimizing workflows, eliminating redundancies, and defining roles and responsibilities for the execution and control of each process.

The following problems were identified during the assessment:

- Processes neither respond to the needs of the organization nor comply with current regulations.
- Contracting applicants are unaware of procedures and regulations, as evidenced by the return of documents in the pre-contractual phase and the consequent delay in the signing of contracts.
- There is a high turnover of employees responsible for Contract Management
- There are delays in payments to contractors and providers, as well as in the payment of travel allowances to employees.
- The definitions of the roles, responsibilities, activities and products of each stage of the process are weak.
- Even when processes are designed, each employee carries them out based on his or her own judgment (lack of standardization of criteria for performing similar activities).

To resolve this issue, the Program assisted in the design of a Contracting Plan Format that was approved in February by the Unit's Secretary General and Planning Office. This instrument ensures proper planning of the Unit's procurement and contracts, as well as daily monitoring.

In addition to the support provided to the reform of the procurement processes, the Program provided assistance to the Unit to develop the 2013 Procurement Plan. This assistance provided on-the-job-training to LRU staff that illustrated how the new processes should be performed. Despite progress in its procurement planning, the LRU still lacks a results-based framework that is applicable to its procurement and contracts. In fact, the LRU still needs to undertake a strategic review of its procurement and contract models in order to improve efficiency.

1.1.1.e. Capacity building and training strategy for LRU personnel: In accordance with the Year 3 Work Plan, the Program began the design of a strategy for providing capacity building and ongoing training to LRU personnel involved in core processes (such as analysis of land restitution requests, citizen assistance, and social work) and administrative/support processes. The strategy considers target audiences (such as staff and external contractors and service providers), methodology, the content and objectives of specific training courses, timing, responsible counterparts, materials and costs. During Q10, the Program initiated its support by performing a diagnosis for the construction of the Unit's training plan, map of actors and stakeholders, and milestones and training paths. The first outcome of this consultancy is expected in Q11.

1.1.1.f. Support the definition of security protocols and a roll-out strategy for regional offices:

During Q10, the Program carried out a training program and developed an information dissemination program to educate regional officials in the LRU's territorial offices on the contents of previously delivered Security Protocols, which will enable LRU personnel to develop a security strategy for field work in a wide range of core activities within the administrative phase of the land restitution process. The first workshop of this program was held in Mocoa, Putumayo with the active participation of 25 officials who exchanged ideas and concerns about the implementation of the security guidelines established in the protocols. The Program will continue to carry out these workshops in 13 more regional offices during Q11 and it will deliver assistance in documenting and recording all lessons learned and best practices collected during the workshops. This may result in further adjustments to the Security Protocols, in accordance with the implementation of the restitution process in the field so far.

Result 1.2: Land and Rural Development Law Drafted

Milestone 1.2.1 Inputs to the Land and Rural Development Law

Activities

1.2.1.a. Harmonize the Land and Rural Development Bill with the Law on Rural Women:

Regulate the Law on Rural Women (Gender Support Activity 4.2.a.). The Program provided recommendations to the Office of the Presidential High Commissioner for Women's Equity for the regulation of Law 731 of 2002 (the Law on Rural Women). These recommendations related to several topics: financing, production, commercialization and technologies, lands and rural housing, education, training, recreation and institutional development, and were based on the systematization of the reports of roundtables conducted with representatives of rural women, information about public services offered by the Ministry of Agriculture, and technical recommendations for the coordination of the Law on Rural Women with the rural development bill. This work will be completed in Q11, and meetings

will be held with the High Commissioner's Office and the Ministry of Agriculture and Rural Development and its associated institutions, to discuss the Program's recommendations.

1.2.1.b. Strengthen policies and regulations required for the implementation of land and rural development reform (agrarian processes and land access instruments):

During Q10, the Program's Land Policy Pillar interdisciplinary working group assisted INCODER and MARD officials in the reform of agrarian process regulation, performed a diagnosis of the limitations that affect agricultural processes, and identified short- and long-term solutions for overcoming them. The Program supported the Ministry of Agriculture and the INCODER in addressing the short-term solutions and drafted a proposed decree that would partially modify several regulatory decrees issued under Law 160 of 1994. Among the procedures affected are those related to the clarification of ownership, the delimitation of boundaries of state-owned lands, the termination of the right of ownership for failure to fulfill the social and ecological function of the property, and the recovery of improperly occupied or appropriated state-owned lands (*baldíos*).

The Program's contributions to this effort include assistance in securing the adoption, through a Presidential decree, of a new procedure for the reversion of state-owned lands whose grantees have not complied with the legal conditions and obligations for obtaining and maintaining ownership of these lands. This procedure is crucial to ensure that the Nation's lands are awarded to the intended beneficiaries of agrarian reform, and that they comply with the restrictions established on the use and disposition of the properties. The Program also supported INCODER with tools to effectively carry out the reversion of state-owned land. As a result, a national census of state-owned lands will be performed and a permanent program for monitoring and evaluating the titles granted will be established.

The proposed decree includes other important innovations, including measures to ensure participation of peasants who have an interest in the properties affected by the agrarian reform. This will contribute to greater transparency and social control in the application of agricultural procedures.

Milestone 1.2.3 Design of the Sustainable Livelihood Policy Framework¹

Activities

1.2.3.a. Support the development of regulations related to income generation and a new policy and program design:

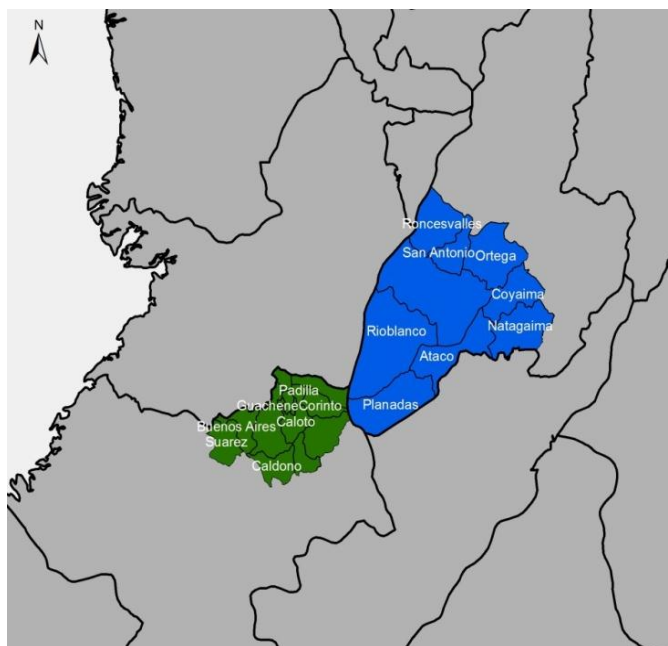
During the past year, with support from the USAID Public Policy Program, MARD, and the National Planning Department, through its Directorate of Sustainable Rural Development,² designed the Comprehensive Rural Development Program with a Territorial Focus (PDRIET) Model, whose objective is "to undertake a comprehensive, systematic and focused intervention to create the conditions in a given region that lead to sustained improvements in the livelihoods of targeted vulnerable families (rural poor, victims, and ethnic minorities)." The PDRIET requires a coordinated interagency service delivery

¹ MARD and INCODER reform activities were originally reported under 1.2.3. In Year 3, these activities will be reported under 1.2.5 and 1.2.6.

² The agencies that offer services for the rural sector have been gradually coordinated through intervention commitments in prioritized areas, focusing on the population defined by the program. Agencies that do not offer specific services have agreed to coordinate their social networks and make them available for the provision of services. These agencies are: INCODER, the Ministry of Agriculture and Rural Development, the Vice Ministry of Drinking Water, SENA, Banco Agrario, DPS, the Ministry of Labor, the Victims' Unit, and the Administrative Territorial Consolidation Unit.

to link communities with markets, expand financial networks, improve education and health services, and provide producer services that improve the capacity of communities to produce in response to market demand. The Program builds on the successful experience of USAID livelihood and poverty eradication programs in several parts of the world. A pilot version of this program was initiated in the municipality of Chaparral (Tolima) in December 2012, and it will be expanded to eight additional municipalities in Southern Tolima and seven in Northern Cauca, as shown in Map 1. The different GOC agencies supporting the PDRIETs use the Southern Tolima and Northern Cauca Contratos Plan to commit the five-year agency budgets to meet the targets established in the PDRIETs in terms of family incomes, assets and regional public goods.

The PDRIET is based on the conditions of the territory and the characteristics of the rural households that comprise it, in order to improve the livelihoods of targeted vulnerable populations, including victims, rural poor, ethnic minorities and single-parent households. These objectives are achieved by providing comprehensive assistance to these households to: i) overcome rural poverty by accessing GOC social services; ii) develop income-generating capacities by formalizing or restituting their land tenure rights and linking producers to markets with growing demand; and iii) strengthen rural territories by identifying competitive productive endeavors and providing public goods that link these territories to markets. The comprehensive nature of the intervention requires the cooperation and coordination of all national and local entities that provide services to the rural population. Coordination is carried out at a national and territorial level through **the Rural Development Committees established by MARD and DNP** with the representatives of the above-mentioned national and local entities. The central objective of these Committees is to identify, prioritize, budget and monitor the delivery of services to the target population to enable the systematic execution of the program.



Map 1. Municipalities that will be part of the Comprehensive Rural Development Program with a Territorial Focus (Departments Cauca and Tolima)
Source: National Planning Department

Rural Development Service Centers is a private entity contracted by the INCODER under a multi-year contract to identify the needs of the targeted population in terms of services and capacity-building activities that will enable them to meet market demands. The Service Centers also provide assistance to strengthen producer organizations and support the implementation of the agreements and decisions of the Rural Development Committee.

To achieve these results, the Public Policy Program supported the National Planning Department in validating this PDRIET model with the entities participating in the National Rural Development Committee, and in establishing a framework to monitor and evaluate the impact of this approach to rural development. . The performance framework being developed by the DNP will enable the INCODER to issue performance-based contracts to hire the implementers of the Rural Development Service Centers. The figure shows the general institutional arrangement of the intervention.

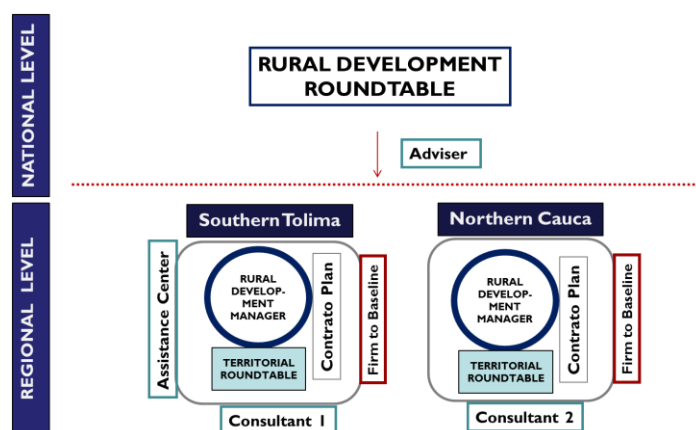


Chart 1. Rural Development Institutional Arrangement
 Source: USAID Public Policy Program

The Program has also supported MARD and DNP in developing a detailed joint action plan with GOC agencies and subnational governments that aligns the budget allocations to the needs of the targeted regions and families in Southern Tolima and Northern Cauca. Additionally, within the framework of the Rural Development Committee, the Program facilitated coordination among the DPS, the Victims' and Consolidation Units, INCODER, the Ministry of Labor and the Ministry of Education, through the following activities:

Table No. 1

Coordination with other entities	<ul style="list-style-type: none"> - DPS/Families in Action: the DPS and the Directorate of Social Income jointly designed a strategy with the Families in Action Program for a comprehensive intervention that will serve as a conditional transfer instrument. - Victims' and Consolidation Units: These Units have exchanged databases on people and projects in Contrato Plan municipalities in Southern Tolima and Northern Cauca, and they are designing a coordination strategy for providing differentiated assistance to victims and prioritized consolidation municipalities. - INCODER / Program for the Implementation of Productive Projects: The Program proposed specifications for the hiring of the territorial operators in Northern Cauca and Southern Tolima, and it is adjusting the 2014 investment specifications for the Program for the Implementation of Productive Projects. - Ministry of Labor: The Program is supporting the Ministry in structuring the form on which information will be collected about the productive profiles of rural victims. - Ministry of Education: The Program is supporting the structuring of a strategy to incorporate the "Educación Rural y Todos a Aprender" Program in the model.
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1.2.3.b. Evaluation mechanisms for land, rural development and livelihood policies (Pilot programs in Chaparral, Tolima). During Q10, the Program completed several crucial tasks for the implementation of this PDRIET pilot program:

Table No. 2

ACTIVITY	DESCRIPTION
Development of the household baseline	The Program collected and analyzed information from 500 families in the municipality's dispersed rural areas, which it will present to the National Rural Development Roundtable to complement the interventions that have already been undertaken for the target population.
Collection of community information	During the week of March 18-23, the Program, with the support of the DNP and the Chaparral mayor's office, organized community workshops on two major issues: social problems and productive profiles of the towns and villages. These workshops resulted in the development of a rapid diagnosis that will be used to design the general information collection instrument for other municipalities, and to guide the interventions in Chaparral.
Coordination with other entities	<ul style="list-style-type: none"> - Banco Agrario/Improvement of living conditions: a diagnosis was completed through Banco Agrario of the households of the 500 beneficiary families in the municipality of Chaparral. - DPS/Food Security Network (Red de Seguridad Alimentaria – ReSA): of the 500 beneficiary families in the municipality of Chaparral, 385 signed a joint responsibility agreement and began participating in the workshops and trainings offered by ReSA. Supplies for their home gardens were delivered during the week of March 18-23.

Milestone 1.2.4 Design of Regional Rural Development Programs (PDRIET)³

The PDRIETs have a comprehensive focus on several interrelated objectives. First, they seek to build capacities in the territories for generating income and regional competitiveness. Second, they aim to resolve land ownership disputes and implement rural land planning. Finally, they are designed to ensure the delivery of public goods at different levels in the territories. A basic condition for the achievement of these objectives is the strengthening of the capacities of the INCODER's regional offices to perform diagnoses, resolve land disputes, structure productive projects, and manage the provision of public goods that are essential for rural development.

Activities

1.2.4.b Support the INCODER's national office and territorial management units to strengthen implementation of rural development programs:⁴ During this quarter, the Program continued its support for territorial-level work in 3 regions: 1) Cauca and Nariño; 2) Montes de María; and 3) Magdalena Medio (progress on this work is described below).

Cauca and Nariño

After supporting the resolution of land use disputes in Cauca, and assisting the INCODER in structuring an action plan (to comply with the commitments established between the government and indigenous communities of Cauca), the Program focused its support in this region on the Department of Nariño,

³ The GOC originally called its regional rural development strategy "Rural Development Areas," but it renamed it as "Rural Development Programs with a Territorial Focus (PDRET)."

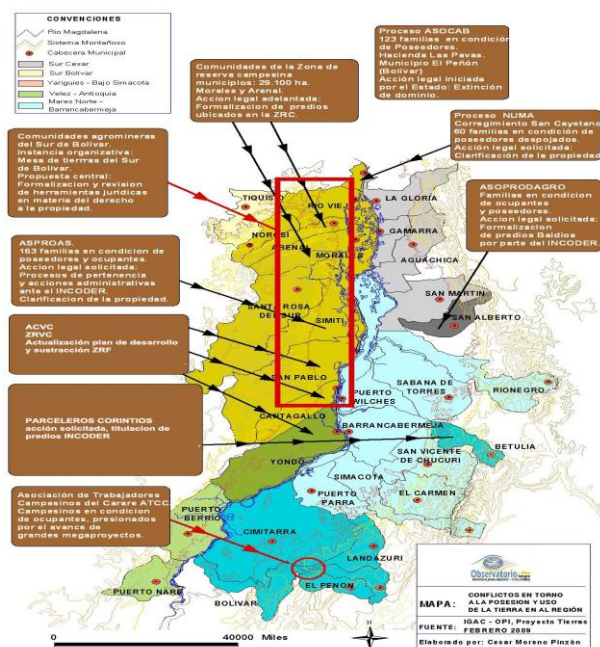
⁴ See also Activity 1.2.3.a (INCODER activities at the national level) and Activity 1.2.5.a.

and continued to provide technical assistance to the INCODER in the Cauca land roundtable. The Program's support for Nariño began with a diagnosis of : a) the occupation, appropriation, delimitation and usufruct of the land; b) the legal creation of indigenous reserves; c) the awarding of *baldíos*; d) the identification of conflicts related to specific properties that require action from the INCODER; and the provision of recommendations to the INCODER on how to resolve disputes over specific properties.

Cauca and Nariño are special cases because intercultural relationships have become a continuous challenge. In Q11, The Program will continue assisting the INCODER in its dialogue with the different indigenous, Afro-Colombian and peasant communities that interact in these departments, in order to further the territorial social regulation strategy by supporting the resolution of land disputes between these different actors.

Magdalena Medio

Technical assistance provided by the Program to the INCODER in Magdalena Medio (as in Cauca and Narino) was focused on performing a diagnosis of land disputes and presenting recommendations for possible solutions. The following map (Map 2) shows the main land disputes in this territory. The Program supported dialogues between the INCODER and the Land Restitution Unit in an effort to seek inter-agency solutions. The Program also supported the structuring of productive projects, mainly as a complement to land restitution processes and the return of families who will be awarded land. The complexity of the Magdalena Medio region lies to a great extent in the fact that it is made up of municipalities that belong to four different departments. The Program supported the INCODER in the coordination of its departmental offices for the establishment of the land roundtable. Roundtable sessions were held with representatives of the four departments in an effort to find solutions to emblematic land disputes. The Program's assistance also included the structuring of productive projects.



Map 2: Map showing the location of the main land disputes in Magdalena Medio

Montes de María

In Q10, the Program continued to support the planning process of the Farmer Reserve Zone (*Zona de Reserva Campesina*), integrating the needs identified by farmers and victims with those identified during the PDRIET planning process to facilitate prioritization of investments by GOC agencies. The Program has also provided support to assess Fondo Nacional Agrario properties and other land tenure needs, and it made recommendations to the INCODER regarding the adoption of a comprehensive strategy to address land access, restitution and land formalization needs in Montes de Maria.

The Program also provided technical assistance to develop a unified vision for the Montes de Maria Contrato Plan that is directly linked to the Farmer Reserve Zone and the PDRIET. Thus, the region's

Contrato Plan will prioritize the investments identified by farmers and victims' organizations during the planning process of the Farmer Reserve Zone and the PDRIET. The Governors of Sucre and Bolívar have both committed to investing \$50 million dollars over a five-year period for the implementation of the unified vision of rural development. During Q11, the Program will provide support to the INCODER's offices in Sucre and Bolívar to ensure that they develop the territorial action plans in line with the INCODER's National Action Plan and regional targets in terms of formalization, land access and livelihoods.

Milestone 1.2.5 Reform of INCODER implemented

Activities

1.2.5.a. Support the review and streamlining of administrative processes for INCODER – planning, contracting, and budgeting:

During Q10, the Program continued to strengthen the INCODER's results-based management framework by helping it to redefine its strategic plan in line with national and regional targets; develop its Budget Request Letters in connection with the strategic plan objectives and targets; establish its Annual Action Plan, which defines the activities to be performed during the year to meet the strategic plan targets and budget requests; and strengthen its information and M&E systems in order to better inform decision-making processes and adopt a performance-based approach to programming. Support was provided in the following areas:

A. Support for Strategic Realignment

The INCODER is the subject of the USAID Public Policy Program pilot project for institutional strengthening based on a strategic focus model. Upon her arrival in April 2012 as the INCODER's Manager, Miriam Villegas, along with her staff and the support of the Program, performed an analysis of the agency's operations, which concluded that it was necessary to rethink its strategy, due to the following reasons:

- The Institute's management model did not include actions for implementing the policy for Rural Development with a Territorial Focus.
- The execution of programs and projects was atomized. There were no regional or population targets. In fact, INCODER was not targeting poor rural victims.
- Services were provided in response to claims and individual demands with no regional focus.
- The projects did not include training for the purpose of generating skills and building opportunities for the inhabitants of rural areas.
- There were deficiencies in investment budget execution and achievement of goals.
- Compliance with the requirements of the Victims' Law (Law 1448 of 2011) needed to be strengthened.
- There was a lack of consistency between the Institute's Strategic Plan and its development instruments – Action Plans and Project Specifications – and, consequently, in its budget planning and contracting systems;
- There was a lack of coordination between the Planning System and the Integrated Quality Management System.

In Q10, the Program concluded the strategic realignment process of the INCODER and the formulation of its 2013-2014 Strategic Plan, which included:

- Greater attention to Rural Development with a Territorial Focus, which includes: Public Goods, Income Generation and Regulation.
- Greater focus on priority regions and populations.
- Change from a focus on individual demand to service provision models, by coordinating actions among all INCODER offices.
- Enhancement of the opportunities and capacities of the rural population.

In addition, with the support of the USAID Public Policy Program, the INCODER is currently designing a results-oriented work plan through the implementation of a Planning, Monitoring and Evaluation Cycle:

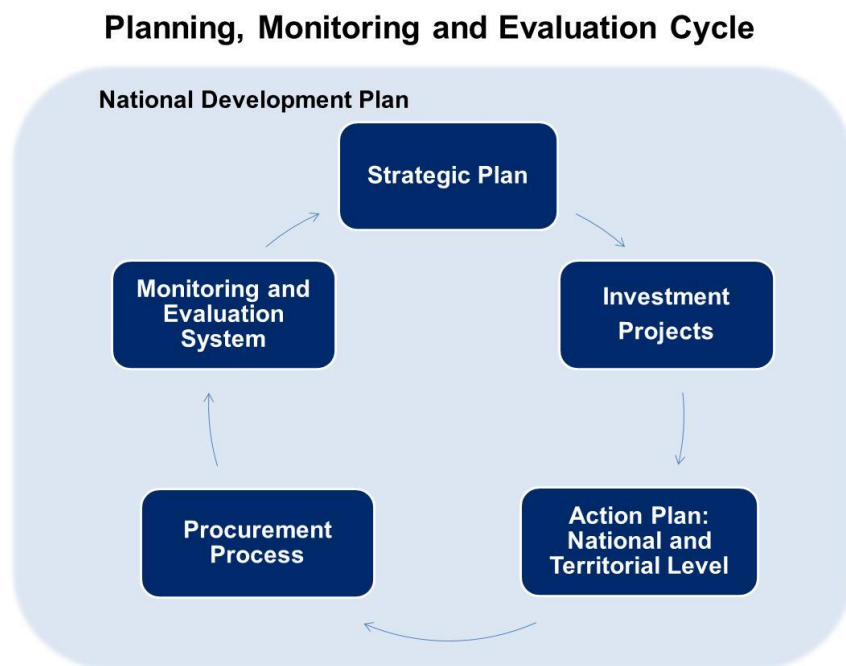


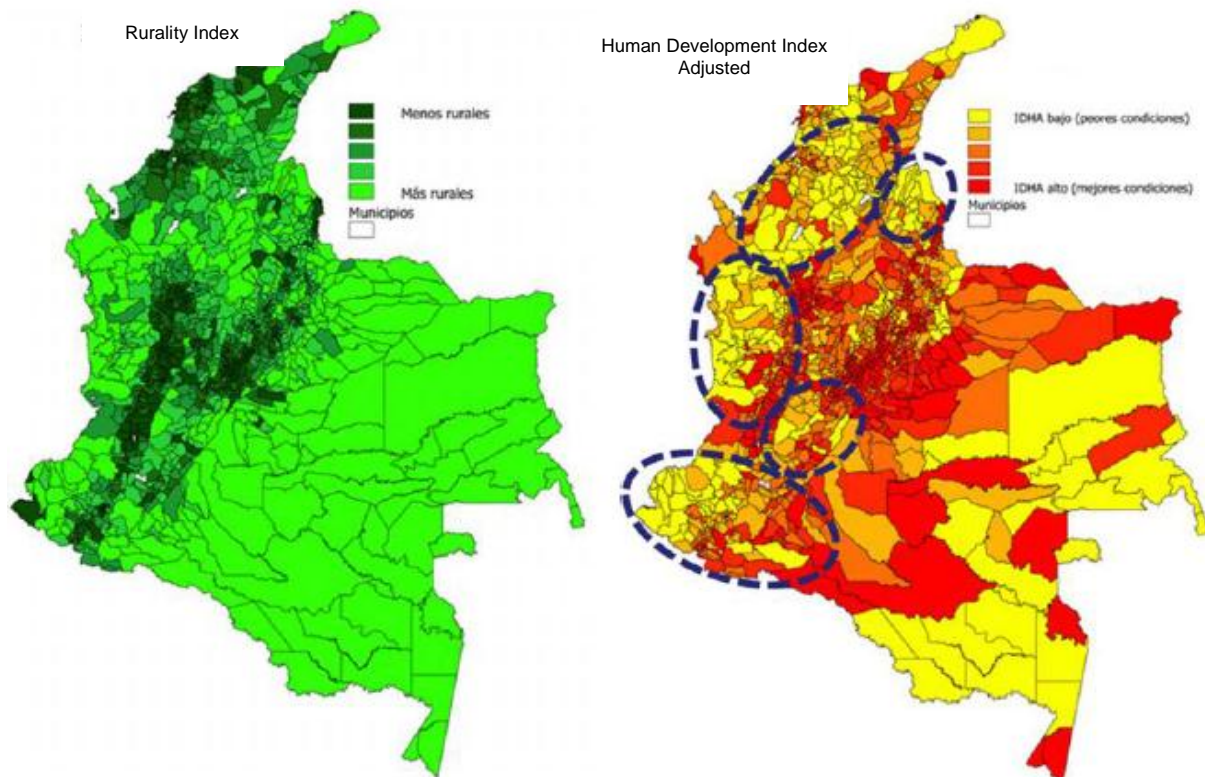
Chart 2. Planning, Monitoring and evaluation Cycle
Source: USAID Public Policy Program

On February 11, the Management Committee approved the INCODER's 2013-2014 Strategic Plan, whose orientation and guidelines were presented in Q9. In short, the Plan calls for the implementation of four major resolutions, which will serve as critical factors in the transformation of the countryside and the search for peace:

To whom: emphasize actions in the territories and priority beneficiaries
What: orient the services toward rural development with a comprehensive perspective
How: move from serving individual demand to supply-based models
For what purpose: enhance the opportunities and capacities of the rural population

One of the major goals of this exercise is to strengthen the capacity of the INCODER to concentrate its efforts in areas in which rural poverty and the armed conflict persist. The advantage of focusing the INCODER's institutional offer on these territories is that it will enable the agency's rural development strategies to enhance the productive and social capacities of victims of the armed conflict and the poorest rural inhabitants, including rural women and members of ethnic communities.

In coordination with the INCODER's Technical Sub-Directorates, the Program provided assistance in designing a proposal for focusing the agency's interventions on regions with the highest poverty rates and in which the intensity of the armed conflict and its repercussions are concentrated. These conditions persist in the Pacific Region, the Southern Caribbean Region, the Nariño – Putumayo Region, Southern Tolima and Catatumbo. The territorial focus proposed for the INCODER is based on the rural development study included in the UNDP's 2011 National Human Development Report⁵, the rurality index, and the priorities of the consolidation and territorial reconstruction policy (see Map 3).



Map 3. Territories Targeted for the INCODER's Intervention
Source: National Human Development Report, 2011

The 2013-2014 Strategic Plan embraces the approach of Rural Development with a Territorial Focus (DRET), understood as a process of social, productive and institutional transformation in rural territories that is designed to improve the welfare of their inhabitants and correct regional imbalances. The following table summarizes the 2013-2014 Strategic Plan and shows the relationship between its Strategic Objectives (SO) and the objectives of the National Development Plan, the strategies for each objective, and the investment projects through which the INCODER will provide services to the Colombian rural population:

⁵ Ibid.

Table No. 3

SUMMARY OF THE INCODER'S 2013-2014 STRATEGIC PLAN			
National Development Plan Objectives	Incoder Strategic Plan Objectives	2013-2014 STRATEGIES	PROPOSED 2013 INVESTMENT
Strategic Growth	Provision of Public Goods	Regulation of irrigation and drainage services	Administration, conservation, and operation of irrigation and drainage districts
		Transfer of the administration of irrigation districts	
		Productive reconversion of irrigation districts	
		Next phase of Tesalia-Paicol, Tolima Triangle and Ranchería	Design and construction of irrigation and drainage districts
Equality of Opportunities	Generation of assets and income	Titling of <i>baldíos</i> , National Agrarian Fund, National Narcotics Directorate	Titling of <i>baldíos</i>
		Inventory of <i>baldíos</i>	Comprehensive Land Subsidies
		Finalization of the delivery of subsidies	National Rural Development Projects
		Implementation of rural development projects	Rural Development Projects for displaced persons
Peacebuilding	Rural land-use planning	Pending agrarian processes	Agrarian processes
		Formalization	
		Administrative Restitution	
		Removal of land from forest reserves	
		Emblematic cases for peace	Planning
		Planning Concepts: UAF, Peasant Reserves Zones, Business Development Zones	
		Rural Land Policy for ethnic groups	Rural land and productive development for indigenous reserves
		Titling for black communities in the Caribbean region	Land for indigenous communities in Cauca
Good Government	Rural development institutions	Consensual planning in Cauca	Title clearing for the Unido U'wa reserve
		Design of the 2013-2014 Strategic Plan	Institutional Management Capacity – Citizen Services
		2013 Action Plan	
		Integrated Management System: quality, institutional development, and environmental management	
		Monitoring and Evaluation System	
		SIDER	Rural Development Information System
			Improving the INCODER's infrastructure (building) in Bogotá

B. Action Plans

The INCODER's strategic agenda includes the development of investment projects and Action Plans that include them, as the key execution tool for detailing the activities to be developed in each project and defining the modalities of execution, such as outsourcing processes, in-house execution and agreements. The Program helped to achieve complete consistency between the strategic dimensions (Strategic Plan) and operating dimensions (Action Plans), which will minimize the risk of duplication of work and the inefficient use of public resources. In Q9, it was decided that the strategy would be guided by criteria for targeting populations and regions and the coordination of activities in order to achieve a comprehensive territorial intervention. The Action Plan provides for a significant effort in this regard, although it should be noted that it is just the first exercise. Ideally, the INCODER's entire strategy will be guided by these good government criteria in the near future

By way of example:

As shown in the diagram, the INCODER is now able to formulate its investment projects, whose activities and budgets comprise its Action Plan, in accordance with the guidelines of its Strategic Plan, which in turn is based on the Sector Policy and the goals of the National Development Plan. In the example, the “Implementation of Rural Development Projects” and “Agrarian Processes” investment projects point to the “Income Generation” and “Rural Property Planning” Strategic Objectives of INCODER’s Strategic Plan. These, in turn, contribute to the execution of the policy for “Income Generation and Competitiveness in the Countryside” and the Development Plan Objective “Equality of Opportunity”. What is important about this exercise is the real coordination of investment projects through the application of targeting criteria. In the example, the following targeting criteria are applicable to the achievement of access to land via “Agrarian Processes”:

- Territorial: Consolidation Zones, and strategic CONPES Documents for the GOC (Cauca, Catatumbo and Southern Tolima)
- Population Groups: Poverty (Red Unidos databases), victims and vulnerable groups

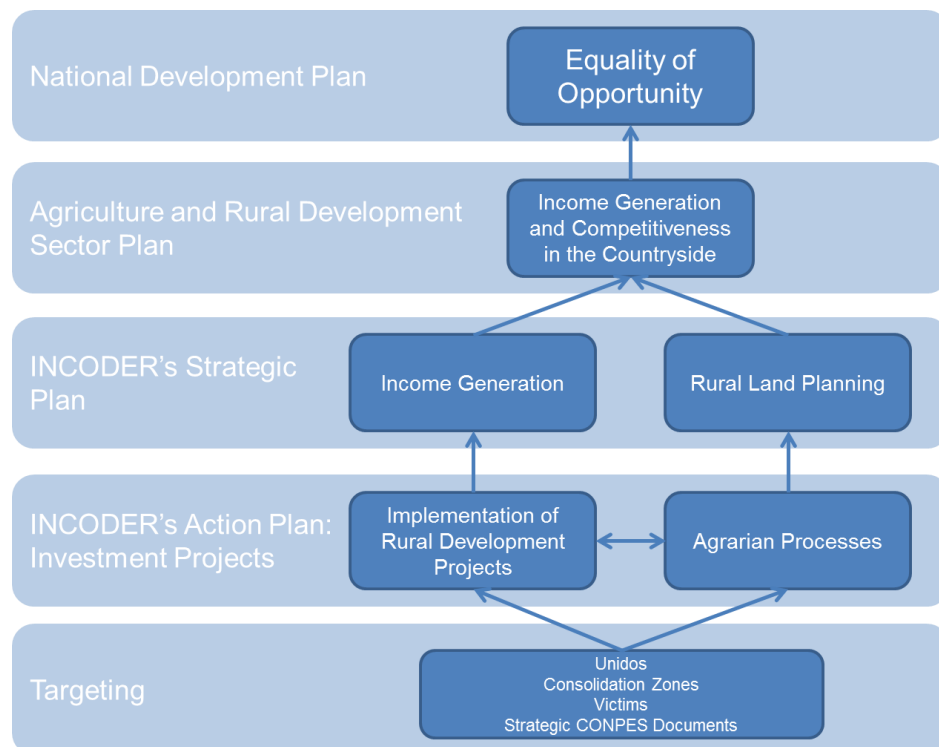


Chart 3. Incoder Action Plans Model
Source: USAID Public Policy Program

An essential element, worked on for the first time in the Institute, was the design of 2013 Territorial Action Plans, in coordination with the regional management offices. In a two-day workshop, each of the Technical Sub-Directorates participated in bilateral roundtables with each Territorial Directorate to establish regional goals, with the consequent budget exercise for each Directorate. Territorial Action Plans strengthen local capacities and the actual inclusion of the regions in the INCODER’s planning. The Program actively supported the design and implementation of the workshop’s methodology and the design of the territorial plans.

As it did with regard to the methodological issues mentioned in section I.1.1 b, the Program provided the technical assistance necessary for updating the specifications for 14 projects that are part of the INCODER's Investment Budget for 2013, by incorporating the value chain development methodology.

The value chain is a theoretical model that is used to describe the development of a business organization's activities that generate value for stakeholders. The methodology is based on a definition of the results that stakeholders, users or customers expect from the organization, the activities that generate value in order to achieve these results, and the resources that are needed to achieve these results.

The exercise performed for the budget request letters of each of the INCODER's investment projects defines the services that are expected in the territory and the transformational or value-generating activities that will be necessary for achieving these products. As mentioned in previous sections, all of this is framed by the strategic plans of the Institute and the Sector, as well as the policy established in the National Development Plan:

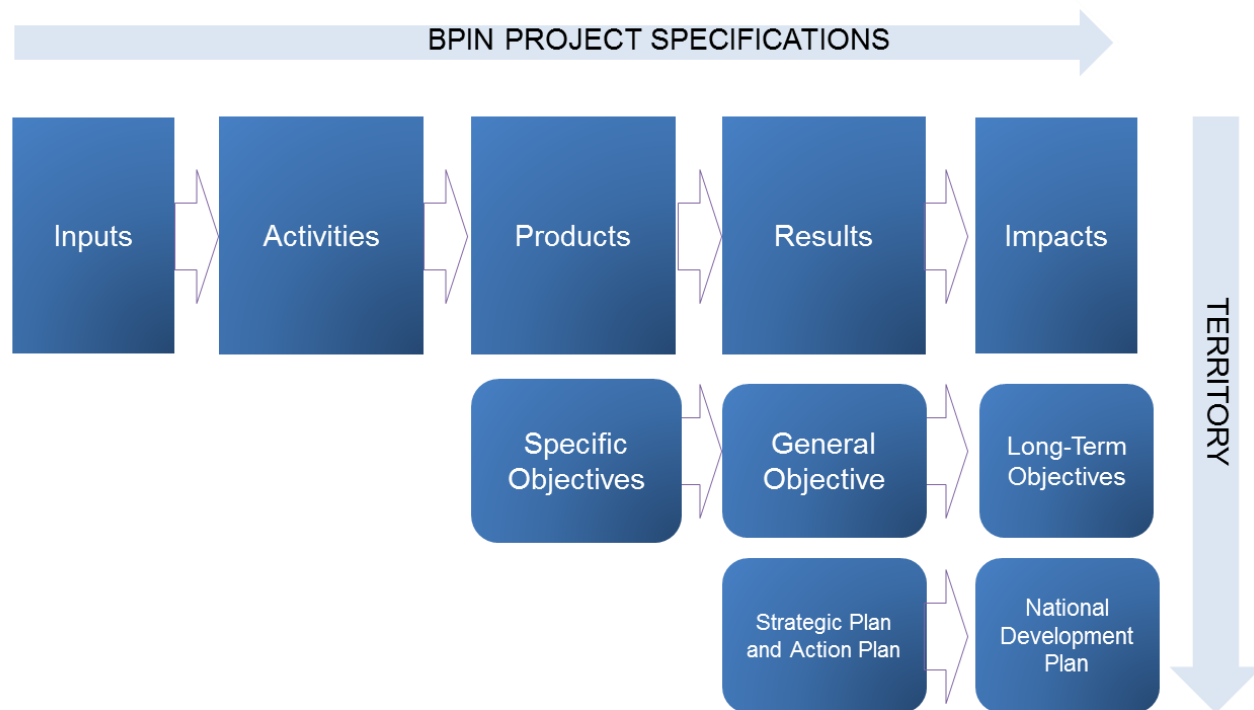


Chart 4. Incoder Investment Projects Model
Source: USAID Public Policy Program

In addition, with the purpose of strengthening the targeting and regionalization of the investment projects, and based on the incorporation of the value chain development methodology, the Program designed the methodologies for providing training on this tool, and conducted three theoretical/practical workshops per Sub-Directorate (15 in all) for the development of the specifications for the 2014 investment projects. With technical support from the Program, each Sub-Directorate is currently developing the specifications and establishing criteria for defining goals and the target populations and territories, with the latter based on the targeting proposed in the Strategic Plan. The development of the 2014 investment project specifications will be completed in Q11.

It is worth mentioning the following tangible achievements of this effort:

- Today there is alignment between the National Development Plan and the INCODER's Strategic Plan, investment projects and Action Plans. There is also a first approach to the budget execution.
- The Institute's management is now oriented to "benefited families". Its performance until now was measured only in "hectares".
- A greater degree of coordination among the INCODER's projects. The INCODER is oriented toward the generation of the "INCODER family", which will have comprehensive benefits.
- Unified indicators for the Planning System and the Integrated Management System: management, result and product indicators.
- Design of relevant priority investment projects for the rural sector:
 - Project for the provision of COMPREHENSIVE assistance to displaced persons, which will include access to land, productive projects, technical advice and psychosocial assistance.
 - Administrative Restitution Project
 - Artisanal Fishing and Aquaculture Project

Finally, a crucial achievement of the entire planning exercise was the implementation of a verification process by the Sub-Directorate of Planning, in which the consistency of the Budget Availability Certificates (CDPs) necessary for the signing of contracts, with the action plans and strategic plans will be examined. This improvement of the planning process will reduce the risk of executing resources that will not generate value in fulfilling the agency's mission.

C. 2013 Budget Execution

The Program provided support to the INCODER to assess its procurement processes. One major finding is that the INCODER Procurement Manual is outdated, and generates confusion about the process that should be carried out by the technical areas in the pre-contract process. During Q11, the Program will support the updating of the agency's Procurement Manual. The new Manual will establish procurement guidelines, clarify roles and responsibilities, and establish criteria for introducing performance-based procurement.

In addition to the reform of the INCODER's procurement process and Manual, the Program provided support to strengthen the procurement planning of the Land and Rural Development Directorates. The Land Directorate has improved its capacity to identify procurement needs. However, progress in introducing new procurement and contractual arrangements linked to performance targets has been slow, since the Directorate continues to prefer using Cooperation Agreements to hire STTA individuals under annual service contracts. Despite the limitations of Cooperation Agreements, the Program has provided support to make them more accountable by introducing a results-based framework that can be

supervised by INCODER officials. The Program continues to recommend more competitive procurement. A legal analysis of the Colombian Electoral Law provided to the agency highlighted the fact that it will need to bid all of its contracts between November 2013 and June 2014. Thus, the risk of becoming stalled in 2014 is high unless the agency changes its procurement strategy. This situation opens the door for achieving important gains in efficiency and accountability in procurement.

The Program supported the Rural Development Directorate to strengthen the design of the procurement process of the Rural Development Economic Service Centers (discussed in 1.2.3.b.) by the INCODER. Program support was oriented towards ensuring these procurements follow a results-based framework that measures contract implementation in terms of changes in the revenues and assets of the vulnerable families targeted in the procurements. In stark contrast to the Land Directorate's procurement, the procurement of the Economic Service Centers will be competed.

Milestone 1.2.6 Reform of MARD Implemented

Activities

1.2.6.a. Strengthen MARD's inter-sectoral coordination for rural development (education, communications, roads, electricity, waste water management, borders, and social protection):

- I. During Q10, the Program proposed a basic administrative structure for MARD and identified its institutional mandates and main areas of intervention. The proposal highlights three key structural changes to enable implementation of the current policy reforms:
 - Creation of the **Vice Ministry of Rural Development**, whose purpose would be to promote the development of rural territories and the welfare of the rural population. Its field of action would go beyond agricultural activities to cover the entire rural sector.
 - Creation of the **Agricultural and Rural Regulatory Agency**, which would be responsible for defining the rules of the game in different fields (irrigation, rights, forests, etc.)
 - Creation of the **Rural Territory Natural Resource Planning Unit**, which would be responsible for the planning and monitoring of natural resources in the countryside. This unit encompasses some of the recently created UPRA functions and widens its scope to environmental issues.

While this initiative entails the provision of public goods to the rural population by the Ministry, it should also ensure the provision of public goods for the generation of productive development (e.g., irrigation systems). The Program's assessment of the reform also addressed concerns that the organizational structure proposed by the Ministry is weak in relation to the implementation of Free Trade Agreements⁶ to promote foreign trade and strengthen the domestic market, which is one of the most important issues for the country today.

The Program's proposal is expected to be presented in Q11 to the MARD, the National Planning Department and the Presidential High Commissioner for Good Government.

⁶ Free Trade Agreements (FTAs) that have been signed or are in the negotiation phase.

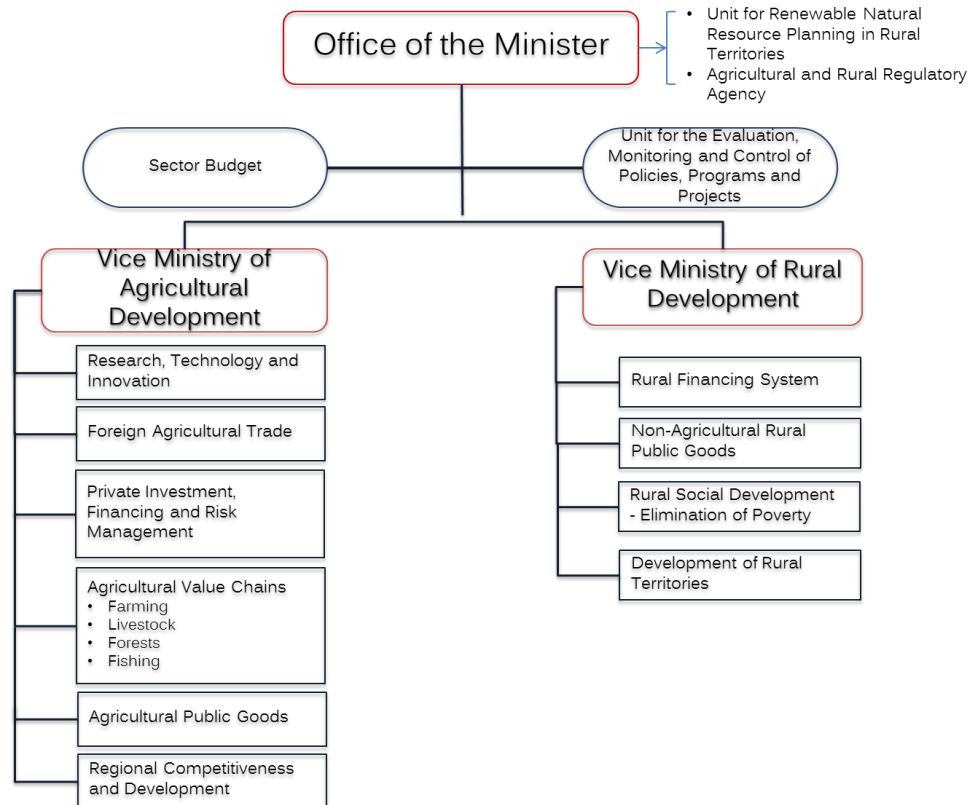


Chart 5. Proposed Organization Chart for the Ministry of Agriculture and Rural Development
Source: USAID Public Policy Program

Pillar Challenges in Q11 & Response Strategy

Challenge 1: Inter-agency coordination.

- Achieve effective inter-agency coordination for the implementation of the comprehensive land policy, given the large number of public entities with varied functions that are involved at a national, departmental and local level. The initiative of the Office of the High Commissioner for Good Government was developed in a senior-level group that represents the agencies involved in the key land policy processes, which should continue to work actively on coordinating the agencies' mission activities in order to achieve the goals of restitution, reparation and return.

Challenge 2: INCODER implementation and reform.

- Achieve an agreement between the Office of the President of the Republic and the INCODER with respect to the critical points that have hindered the completion of the INCODER reform process. The Office of the President continues to insist that the ongoing INCODER reform process include the creation of a General Sub-Directorate, which the INCODER's management prefers not to create for the time being because of union opposition.
- Support the design of the operating and outsourcing model of the INCODER's Program for Productive Projects, in order to clearly establish the roles of the actors and to secure operators who will ensure the implementation of the proposed income generation model.
- Support the design of the INCODER's Contracting Manual.
- Outsource the topographical services performed in the Sub-Directorate of Land.

Challenge 3: Institutional Coordination for Generating Rural Income.

- Through the rural development and income generation roundtable, achieve the effective coordination of the institutional offer of services for targeted and characterized families in the pilot territories.

Windows of Opportunity

There is great need for support and attention, with very high-level political will, in the coordination of all institutions involved in seeking the successful return of victims to their land. The Program can achieve key impact results by delivering assistance towards this end and supporting the MARD, LRU, Victims' Units and INCODER, among other agencies, in enhancing effective coordination to comply with judicial rulings in a timely and structured manner, generating process empowerment, and recording lessons learned from initial cases in order to foster institutional knowledge management.

The consolidation and institutional empowerment needed to continue implementing the PDRIET model with successful results and a clear path for replication in other regions is a key initiative that the GOC is promoting as a tool for implementing the rural development policy outlined in the Land and Rural Development Bill.

PILLAR 2: VICTIMS' POLICY

Providing reparations for more than 5 million registered victims (about 80% of whom are internally displaced persons (IDPs) living in abject poverty) is the main objective of the Victims' Assistance and Reparations Policy. To achieve this, the USAID Public Policy Program has successfully provided technical assistance to the Government of Colombia (GOC) for implementing the Victims' Law. The Program focuses its efforts on improving the government's capacity to provide humanitarian care and comprehensive reparations to victims. By providing technical assistance and support to the design and operation of the Victim's Unit (UARIV), and by supporting the coordination of services provided by State entities through the National System for Victims' Assistance and Comprehensive Reparations (*Sistema Nacional de Reparación y Atención Integral a las Víctimas - SNARIV*), the Program has made important contributions to the legal and national-level institutional structure for compensating victims.

Thus, the Program is working to generate mechanisms to ensure that the institutional framework designed for providing victims' assistance and reparations is effectively implemented at the national and regional levels, and that the assistance model being implemented provides services that are flexible enough to respond to specific territorial circumstances and the needs and ethnic conditions of victims.

In Q10, the Program's Victims' Policy Pillar worked towards the aforementioned goals by providing technical assistance to the GOC for the following tasks:

- The consolidation of synergies between the Victims' Unit, the Department of Social Prosperity and its attached agencies, in order to promote income-generation programs, such as those offering entrepreneurship and job matching/training for victims, as well as food assistance for this segment of the population through the Colombian Family Welfare Institute (ICBF), to optimize results due to coordinated policy efforts, in the context of the overall livelihoods policy.

- The enhancement of the management capacity of the Victims' Unit through the redefinition of its strategic map in terms of results, goals and indicators; the strengthening of its Planning Advisory Office; and the improvement of its budget planning, procurement, hiring and performance monitoring.
- The drafting of proposed regulations and recommendations for a system of territorial joint responsibilities for the implementation of Law 1448 of 2011.
- The inclusion of a gender, ethnicity and participation focus in the models of attention of all Victims' Unit offices.

One of the most important achievements of the Victims' Pillar during this period was the strengthening of the SNARIV through the inclusion of five new entities in the System in order to improve the assistance and institutional offer provided to victims, bringing the total number of system entities to 47. Additionally, the Program provided technical assistance in the evaluation of the results of the first-year operations of the SNARIV subcommittees, analyzing their strengths and weaknesses, and providing recommendations to the System's Technical Secretariat for improving operations. The Program helped ensure that the System is capable of consolidating and coordinating the different functions that its member entities must perform in the reparations process, in order to be able to provide a comprehensive offer of services related to health, work, education, housing, land restitution and access to justice.

Equally important has been the result of the Program's work in defining the Concept of Minimum Subsistence with an *Ethnic Focus*, which is based on the premise that the government needs to consider the special needs and requirements of ethnic groups in its humanitarian response, in conformity with the Constitutional Court's view that the State must guarantee the survival of ethnic groups. The application of the concept will enable the Victims' Unit to provide ethnic groups and individuals who are living under emergency conditions with differentiated humanitarian assistance that takes into account their customs, food habits, cultural practices and world views.

Humanitarian care provided by the Victims' Unit includes three components: food, housing and health services⁷. Several Constitutional Court rulings have suggested that this type of assistance should be temporary, because the greater the assistance, the less the chance that victims will develop their own coping strategies, thus preventing sustainability in the long term. In an effort to establish limits on humanitarian care, the Program supported the GOC by analyzing the best criteria for the provision of humanitarian assistance, and proposed the implementation of the Concept of Minimum Subsistence, under which humanitarian care services would be provided after evaluating two objective criteria: the severity and the urgency of a victim's conditions.

The adoption of these criteria will enable the Victims' Unit to make progress in two fundamental areas: 1) it will be able to focus on and prioritize humanitarian assistance for families with proven severe and urgent needs; and 2) it will be able to determine how to share responsibility for providing food assistance with the ICBF, which, under Colombian Law, is responsible for providing food in cases that are not considered severe or urgent. Because it will not be responsible for providing food assistance during the transitional humanitarian relief stage, the Victims' Unit will now be able to prioritize its humanitarian assistance, and it will have greater budget flexibility in attending to other comprehensive assistance needs of victims.

⁷ In 2012 alone, the Victims' Unit received 63,750 *tutela* actions (for protection of fundamental rights) claiming humanitarian assistance, as well as 941,947 family requests, and the Unit had to accept 88% of them.

In Q11, the Program's activities will be focused on delivering policy instruments that will enable the GOC to improve institutional coordination within the framework of the SNARIV, and to adjust the Unit's operating model in order to deconcentrate national-level functions by transferring service delivery responsibilities to the territorial level. In addition, the Program will continue to support the GOC's efforts to develop a clear definition of conditions for the suspension of humanitarian assistance, which will allow the GOC to reduce the welfare nature of this policy and to direct its resources to other types of responses that will provide victims with economic stability. Currently, three different criteria for the suspension of humanitarian assistance are under discussion: i) self-sustainability or economic stabilization; ii) access to the institutional offer related to training or income generation; and iii) the cessation of vulnerability.

In other words, the humanitarian assistance should be transitory and limited, because it is designed to provide an immediate response to an emergency. Granting it indefinitely could be counterproductive for victims, as it could generate a dependency that would be difficult to eliminate over time. It is better to employ other mechanisms to enable victims to develop their own income-generating capacities.

Results, Milestones and Activities

Result 2.1: Victims' Law Institutions Designed

Milestone 2.1.1 Design of the Department of Social Prosperity (DPS)

Activity

2.1.1.a. Harmonization of DPS activities: In Q10, the Victims Pillar analyzed and prepared recommendations for the Victims' Comprehensive Assistance and Reparations Unit regarding the need to **generate synergies and increase coordination efforts with the Department of Social Prosperity (DPS)** and other agencies that have roles and responsibilities relevant to income generation and assistance for vulnerable populations. Income generation is one of the strategic steps that can generate a real and sustainable change within the assistance and reparation chain, since it allows victims to achieve socio-economic stability, and, eventually, the full enjoyment of their rights.

Based on the identification of this need for coordination with the DPS, the Program's Pillar, in conjunction with the Victims' Unit, designed a strategy to maximize the physical, technical and financial resources that the DPS provides to the displaced population and other victims. The strategy consists of the following steps: i) Identification of the DPS's institutional offer to victims, and of how added value could be generated through a special focus on income-generation programs; ii) Generation of joint work agendas between the Victims' Unit and the DPS and other agencies attached to the Social Inclusion sector (the National Agency for Overcoming Extreme Poverty - ANSPE, the Consolidation Unit, the Center for Historical Memory, and the Colombian Family Welfare Institute - ICBF). The objective of these work agendas would be to maximize the efforts, strategies and resources of these entities for the benefit of victims; and iii) Creation of opportunities for participation, dialogue, coordination, operability and monitoring of the work agendas among the strategic entities. In other words, the Program determined that the impact and coverage of the programs developed by the DPS for the vulnerable population and victims could be optimized if they were coordinated with those of the Victims' Unit, in order to avoid a duplication of efforts.

In Q11, the Program will assist the UARIV in creating a Roundtable of Experts on Income Generation, which, in full coordination with the DPS and the Victims' Unit, will contribute the following key elements for redefining this policy in both rural and urban areas for the victims of the conflict: i) the sharing of a common concept of income generation; ii) the definition of the State's obligation to promote income generation; iii) the identification of the requirements for the State's compliance with this obligation; iv) the determination of the joint and individual responsibilities of each entity; v) a study of successful experiences and bad practices in the implementation of income-generation models in the rural and urban sectors; and vi) proposed adjustments to these models.

Milestone 2.1.2 Design of the Victims' Unit

Activities

1.1.2. a. Specialized assistance for the Victims Unit's strategic planning and review:

In Q9, the Program began providing support to the Victims' Unit for the strategic updating of its goals, objectives, policies and indicators. It initially conducted exercises for each of the Unit's core offices, which led to a review of the achievements gained in 2012. In Q10, the Program completed the update of the Unit's strategic framework, with the following results:

Plan for Providing Comprehensive Assistance to the Planning and Management of the Unit. Continuing with the actions undertaken in Q9, in Q10 the Program strengthened this assistance to the Unit by working with a consulting firm that specializes in strategic planning for the public sector. The Program aims to develop a strategy that will be implemented progressively over the coming quarters. In this initial stage, the Pillar contributed to the following:

Strengthening of the Planning Advisory Office (OAP): A two-day training session was provided to the OAP's staff in order to develop and improve group management and teamwork skills. This training was designed to enable the OAP to use new techniques in participatory planning and leadership, as well as tools for defining objectives, goals and strategies in a consensual manner. The OAP was thus empowered to support the strategic planning and review processes of all areas of the Unit. It is expected that this will facilitate the achievement of the Program's objective to build institutional capacity within the OAP.

Redefinition of the Victims Unit's Strategic Map: For this purpose, the Program prepared and conducted a workshop attended by the Director General, Secretary General, the General Sub-Director, the heads of the Advisory Offices, the head of Internal Control, and the National and Territorial Technical Directors. The management staff adjusted the Unit's strategic objectives related to assistance, attention and reparations for victims, and agreed on its goals and policies and their respective indicators. The workshop also clarified strategic, tactical and operational goals in an effort to achieve a more efficient administration, prioritization and focus of the organization's human and financial resources.

In Q11, the Program will continue to implement its strategy of providing managerial and strategic assistance to the Victims Unit. It will hold five training workshops for management officials at a national level on strategic alignment and dispute resolution. It will also coordinate the 22 strategic areas (including the national core offices and the differential focus groups and support offices within the Unit) and the 20 Territorial Directorates in the deployment of the strategic map, in order to build a results-oriented Action Plan.

Strategic Review and Strengthening of the Unit's General Sub-Directorate. Based on the relationship of trust and support that has been developed between the Unit and the Program, the Unit's General Sub-Directorate asked the Program to review the functions that the Unit carried out in 2012, and to strengthen its role in 2013 as coordinator of the SNARIV. This request arose from the Sub-Directorate's need to redefine the SNARIV's role in 2013 based on the functions assigned to it by the Victims' Law.

Once the Program, together with the Sub-Directorate's staff, identified all of the activities performed by the Sub-Directorate in 2012, it proceeded to strategically select those with which the Unit could make a greater impact across the SNARIV. The selection was based on an analysis of: i) the activities that would result in greater coordination with strategic entities in order for the victims' comprehensive assistance and reparations policy to be effective; and ii) the real role and added value of the Sub-Directorate's team. This analysis led to a redefinition of six objectives and priorities to be adopted during Q10, as follows:

Table No. 4

Advising and assisting the Director	Generating interaction	Monitoring and Control	Proposing policies, plans and programs	Designing a differential focus model	Comprehensive management system for the agency
Represent the General Directorate in meetings with mayors, the Government, Territorial Directorates, victims and NGOs	Lead strategic relations with: DPS, the Land Restitution Unit, DNP, SENA, Ministries of Commerce, Labor and Agriculture, and INCODER. in three strategic areas: 1. Income generation; 2. Social inclusion; and 3. Land restitution	System for monitoring strategic issues of the UARIV	Develop the knowledge management system	Coordinate the design and implementation of the UARIV's Differential Focus Model: Gender, Ethnicity, Childhood and Adolescence, Disability and the Elderly.	Participation of centers and groups: COPASO, Internal Quality Assurance System (SGIC), MECI, Internal Control

The Program also identified other functions assumed by the Sub-Directorate that should have been performed by other areas (see Table 3). The Program thus helped to free the UARIV's General Sub-Directorate to focus on the interinstitutional coordination of the Victims' Policy.

Table No. 5

Functions	Responsible Area
Direct and guide the Unit's planning, review and complete planning tasks, develop planning instruments, systematization, territorial processes, data processing (consolidation of the data matrix), review and complete territorial reports.	Planning Advisory Office
Monitor compliance with inter-agency and cooperation agreements.	
Prepare mission documents, institutional management reports and presentations for the Office.	
Monitor agendas for visits to the territories, and manage victims' and mayors' requests.	Liaison Group with Territorial Directorates
Work on issues related to land, agreements, monitoring and information collection.	Collective Reparations
Women and gender: monitoring of CONPES white paper.	Gender Group
Hold meetings, develop work plans, obtain professional support and close processes. Lead in measuring and enhancing flexibility (with execution) (records, institutional management).	Responsibility of each area

Functions	Responsible Area
Inventory of and compliance with contracts and agreements.	Contract Office
Lead in measuring cessation, with execution.	Directorate of Reparations
Coordinate workloads for Phase I of the contract.	Secretariat General, Human Resources
Generate and coordinate demand and the Office of Cooperation.	Institutional Cooperation Advisor
Lead the execution of international cooperation projects and plans.	National and Territorial Directorates
Serve as Secretariat General in urgent matters.	Secretariat General and National Directorates
Review resolutions and administrative decisions	Regional Centers
Support the strategy for the creation of regional centers.	Nation-Territory Sub-Directorate
Handle requests from mayors.	

A. Development of a Transition Plan for the Operational Implementation of the Deconcentration Model

In Q10, the Program supported the Victims' Unit in the development of a diagnosis that contained the following elements: i) a costing and/or purchase plan for the resources that are necessary to meet the needs of each core process; ii) an inventory of external operators currently needed to perform core processes, identifying the profiles that are required for each activity; and iii) a map of the current human and physical resources of the 20 Territorial Directorates of the Victims' Unit.

By means of this diagnosis, the Program is providing the Unit with tools that will enable it to determine whether core process should be developed by Regional Offices instead of the Central Office, based on an analysis of costs and resource availability. It is expected that the Unit will consolidate the Deconcentration Plan in Q11 based on this diagnosis.

The deconcentration model places the responsibility for core processes and control at the central level, while transferring execution to the territorial level.⁸ Under this model, the Territorial Directorates of the Victims' Unit will be able to perform activities currently carried out by the National Directorates, without the central level giving up managerial control over them. The advantage of this model is that it will make the institutional response to specific requests by victims more agile and timely, and accessible by victims in the territories.

2.1.2.b. Strengthening of the Unit's contracting and budget execution mechanisms and tools: In Q10, the Program continued to support the Unit in maximizing the efficiency of its contracting processes, in order to improve the timeliness of its response to victims. This will make it possible for the Unit to maximize resources and obtain better results, such as the formulation of a large number of reparations plans, an increase in administrative compensation awards, and reduced time in the provision of humanitarian assistance.

During this period, the Program provided technical assistance through two procurement experts who provided recommendations for analyzing, defining and implementing legal and budgetary mechanisms in order to improve the Unit's procurement management in compliance with the goals of the Victims' Law⁹. As a result, it is expected that the Unit will successfully implement its 2013 Contracting Plan, as

⁸ Deconcentration differs from decentralization, in that the latter involves the transfer to the local level of not only the execution of activities, but also the autonomy to execute them.

⁹ As a result of the Program's continued technical assistance in Q9, it was reported that in 2012, the Victims' Unit outperformed all Social Prosperity Sector entities by executing 92.2% of its investment budget (US \$574M) and 83.1% of its

well as its training program to enable its staff to successfully draft terms of reference and contracts for the provision of services and the acquisition of goods.

As part of its strategy for strengthening the Unit's contracting processes, the Program will apply its expertise in Administrative Law in supporting the design and implementation of an office within the Unit that will monitor the entity's Contracting Plan. The model for managing this office is expected to be implemented in Q11.

2.1.2.b. Inclusion of cross-cutting subjects in Victims' Unit processes and programs: gender, ethnicity and participation. The Program completed the design of the Differential Focus and Participation Model that will be used for developing the Unit's assistance and reparations measures.

The Model for the Inclusion of a Differential Focus consists of a set of specific strategic actions for each mission process, together with a definition of the responsible parties, costs and result indicators. Its implementation will enable the Unit to respond to the specific needs of women, ethnic groups and the disabled.

In Q10, the Program secured the active participation of the Victims' Unit in the construction of this Model. The discussion of its content and the feedback received from the Unit's staff facilitated the staff's appropriation of, and training on, the subject.

This feedback was complemented with a final workshop in which the Technical Directors and specialized staff of the core areas made suggestions regarding the use of the Model. This workshop was attended by the IOM, which will be responsible for supporting the implementation of the Program's proposed Model. It is expected that the Unit will begin to implement the differential focus and participation proposal in Q11.

Result 2.2: National Victims' Humanitarian Assistance and Reparations Plan

Milestone 2.2.2 Improved service delivery for victims

Activities

2.2.2.b. Make available financial instruments tailored to the needs of the population in rural and consolidation areas, victims and vulnerable populations:

During Q10, the Program advised the Victim's Unit on the process of awarding humanitarian assistance payments and the development of a contracting manual for the Unit's Reparations Fund.

Humanitarian assistance payments: the Program conducted a market analysis and legal studies to determine the parameters for selecting a financial institution to make these payments. Close to one million individual payments. In 2013, the UARIV has made humanitarian care payments to 234,869 victims, totaling \$108 M. These studies will aid the Victim's Unit in developing the bid specifications for awarding humanitarian assistance payments, pursuant to Article 2.1.1 of Decree 734/12. The objectives of the new payment awards are to improve operating and security processes, minimize financial costs,

operations budget (US \$426M). Given that 2012 was the Unit's first year of operation, and that its budget of US \$1B accounted for nearly 20% of the Sector's total budget, this achievement is significant.

and diversify payment channels for victims. The bid specifications will be developed in Q11 and the payments are expected to be awarded during the second half of 2013.

Development of a contracting manual for the Reparations Fund: The USAID Public Policy Program assisted the Victims' Unit in drafting a Contracting Manual that establishes rules, processes and responsible parties for the Reparations Fund Procurement Process, thus strengthening the Unit's contracting processes. The draft manual is currently being reviewed by the Unit; once it is approved, victims' administrative compensation payments will be made through this Reparations Fund.

Milestone 2.2.3 SNARIV Strengthened to Monitor Agency Action Plans

Activity

2.2.3.a. Strengthening the SNARIV: Strategic Review of the SNARIV.

The Program has directed most of its efforts to strengthening the SNARIV, since the breadth of its functions could enable it to influence the institutional agendas and action plans of the 47 entities that currently comprise it¹⁰ at the national and territorial levels, under the premise of achieving a comprehensive offer for victims. This support has driven the strategies that are explained below:

I. Report on the Results of the SNARIV

In Q10, the Program provided an evaluation of the results of the first year of operation of the ten subcommittees established by the SNARIV¹¹. This evaluation contains: i) weaknesses and challenges of the subcommittees; and ii) recommendations for the Technical Secretariat of the Executive Committee on Victims, the Ministers who comprise it, and the President of the Republic.

The evaluation indicated that while there were achievements on an operational level (all of the subcommittees were installed, established technical secretariats and developed action plans), the management of the SNARIV needs to be adjusted in order to achieve the government's objectives. The Program proposes the creation of technical bodies to discuss and formulate guidelines, as well as other decision-making bodies. This will enable the decision makers to be involved in the most important issues, which will ensure their participation.

For the preparation of this report, the Program analyzed the records of the sessions of the subcommittees and their Technical Secretariats, and conducted semi-structured interviews of a representative sample of officials who support these Technical Secretariats. It is expected that this report will enable the Victims' Unit, as the coordinator of the SNARIV, to justify the structural and management changes required to ensure the provision of relevant, effective and timely assistance for victims. The report will also serve as the basis for the construction of boundary indicators that will enable the Unit to measure the degree of coordination and management that should exist between two or more SNARIV entities.

¹⁰ Thanks to the work of the UARIV, five new entities are now part of the System.

¹¹ The SNARIV is the National System for Victims' Assistance and Comprehensive Reparations, which is made up of forty-seven national and territorial government entities and other public and private organizations that are responsible for formulating or executing plans, projects, policies and actions related to victims' assistance and reparations.

2. Concept of Minimum Subsistence with an Ethnic Focus

In order to hinder potential dependency on assistance, the GOC is taking an important step in its effort to regulate the concept of Minimum Subsistence¹² with advice provided by the Program on constitutional matters. In close coordination with the Victims' Unit, the Program proposed a legal definition of minimum subsistence, based on three elements: Food, Housing and Health Care. The Program also provided support for measuring these elements, based on the urgency and severity of the need.

The measurement of Minimum Subsistence Needs is a crucial tool for helping the UARIV to focus and prioritize humanitarian aid for families who are suffering from severe and urgent deprivation in these three areas¹³. It will also serve to delimit the Unit's authority with respect to the ICBF in terms of the provision of food during the transitory phase of the humanitarian assistance program, since the law makes the ICBF responsible for providing such assistance when the minimum subsistence needs are not serious or urgent.

In Q10, the Program also supported the Victims' Unit in preparing a map of legal and jurisprudential criteria for determining when humanitarian aid for a family in a situation of forced displacement can be suspended, based on a detailed analysis of the jurisprudence and a systematic interpretation of the Victims' Law. It is expected that the government will adopt these criteria in Q11, or at least make substantive progress in procuring their official adoption, following a series of discussions that should involve actors such as the Commission for Monitoring T025, the Constitutional Court and, of course, the victims. Currently, the Program is providing technical assistance for including an ethnic differential focus as part of the minimum subsistence concept, a goal that the UARIV expects to meet during Q11.

Milestone 2.2.4 Support implementation of the Cessation of Vulnerability Index

Activity

2.2.4.a. Determining when the condition of vulnerability of victims ceases:¹⁴ Internal discussions continue to be held between the Victims' Unit and the National Planning Department about the design of the Cessation of Vulnerability Index developed by the Program. The crucial point is the definition of the indicators that will be used to determine when a victim's condition of vulnerability ceases. Having this tool is important and necessary for the implementation of the Public Policy on Victims, in the sense that establishing cessation of vulnerability as a goal with clear measurement parameters will prevent welfare dependency and dispersion. These indicators will also enable the Government to evaluate not only its performance, but also the positive and effective impact of its actions, and based on this, to make the required technical and financial adjustments for the most vulnerable populations.

While these conceptual discussions are coming to a close, the Program will provide technical assistance to design the software to measure the cessation of vulnerability indicators.

¹² **Minimum Subsistence** refers to the minimum conditions a human needs to subsist, in terms of nutrition, housing, medical services, and sanitary conditions. Reaching a minimum subsistence level is a first, but not sufficient, step towards ending vulnerability.

¹³ In 2012 alone, the Unit received 63,750 tutela actions claiming humanitarian aid, and 941,947 requests from families, 88% of which had to be accepted by the Unit. This reflects the Unit's current assistance obligations.

¹⁴ **When the condition of vulnerability ceases** refers to a state in which victims are effectively enjoying their reestablished rights and have been able to reestablish themselves socially and economically.

Milestone 2.2.5 Design and implementation of regional reparation plans**Activities**

2.2.5.c. Regulation of the System of Joint Responsibilities: In Q9, the Program worked hard to understand the concept, scope and mechanisms of the System of Joint Responsibilities. In Q10, the Program drafted proposed regulations and recommendations for a system of territorial joint responsibilities for the implementation of Law 1448 of 2011. The Program recommended, first, that the territorial entities' capacities to provide assistance to victims be identified and, second, that the functions necessary for carrying out the responsibilities assigned to the territorial entities by the Victims' Law be established. Based on this, the departments, and secondarily the Nation, would assume the obligations that the municipalities cannot comply with. This will ensure that an offer that an offer exists at all territorial levels that responds to the needs of victims. It is expected that this proposal will be consolidated in Q11 in order to support its socialization with senior government officials, and especially, with political authorities at a territorial level.

Q10 Policy Pillar Instruments Delivered

- Identification of the Unit's strategic objectives, goals and indicators
- Reformulation of the Unit's policies
- Map of prioritized functions of the Unit's General Sub-Directorate for 2013
- Map of the redistribution to responsible areas of functions assumed by the Unit's General Sub-Directorate
- Unit Costing and Purchase Plan for the Victim's Unit
- Map of the Unit's physical and technical resources at a territorial level
- Model for the inclusion of a Differential Focus
- Measurement of the Concept of Minimum Subsistence

Q11 Pillar Challenges & Response Strategy**Challenge I: Coordination of SNARIV Entities at a National and Territorial Level.**

The new institutional framework created by the Victims' Law has received obvious political support, as demonstrated by the presence of the President and the Vice Ministers of different sectors at the last joint meeting of the entities that comprise the SNARIV. Nevertheless, achieving the commitments and mechanisms necessary to facilitate institutional coordination in terms of providing victims with a comprehensive, relevant and effective offer remains a challenge. This will be possible only if the different sectors respond to its responsibilities as members of the system. The lack of coordination at the national level certainly affects the territories, as it prevents public entities from establishing a presence and providing services at the territorial level, which is absolutely required to enable victims to effectively enjoy their rights.

The Program will confront this challenge by continuing to support the Victims' Unit in its role as coordinator of the SNARIV.¹⁵ In particular, the Program will provide the Unit with a tool that will enable it to precisely measure the coordination that should exist in the chain of the offer provided, so that it can detect the entity or entities that are breaking the value chain established by the coordination.

¹⁵ The Victims Unit is the coordinator of the 47 entities that make up the SNARIV, in accordance with the Victims' Law.

Windows of Opportunity

1. New Assistance, Attention and Comprehensive Reparation Model. MAARIV.

The Unit is implementing a strategy of providing fixed and mobile coverage at its 88 points of attention and regional centers across the country. The novelty of this model is that it integrates the assistance teams¹⁶, the reparation teams and seven different assistance schemes¹⁷ through which victims' needs will be identified in order to design the AARI Plan¹⁸ in a participatory manner.

The Program believes that this new model for approaching victims constitutes an opportunity to improve institutional coordination, in order to provide a comprehensive, timely and relevant offer that goes beyond the vision that has prevailed in the sector, and even within the SNARIV.

2. Training in Project Formulation to Obtain Funding.

The Program has begun to train the staff of the Victims' Unit at both a territorial and national level in the formulation of projects under the General Adjusted Methodology (MGA), to enable the Unit to obtain resources from the General Royalties System¹⁹ or other sources.

This strategy is designed to enable officials in the 20 Territorial Directorates to learn about and develop this methodology, so that they, in turn, can advise local authorities on how different funds available to territorial entities can be used to finance projects for providing attention, assistance and reparations to victims.

In Q11, the Program will intensify its training strategy in the regions, and it will support the development of different project types that will serve as models and guides in the formulation of projects related to the public policy on victims

PILLAR 3: CONSOLIDATION POLICY

In Q10, the Program made important contributions by assisting the Government in defining the National Consolidation and Reconstruction Policy (NCRP), ensuring the successful implementation of the NCRP through the creation (via Decree 6141/2011) and institutional strengthening of the Special Administrative Unit for Territorial Consolidation and Reconstruction (the Consolidation Unit, or UACT), and ensuring coordination of the NCRP with other key policies at all levels of government.

As a major accomplishment, the Program advanced in defining the battery of 39 indicators that the GOC will use to construct the Consolidation Index, the key instrument for monitoring the implementation of the PNCT in the targeted areas, and for establishing the criteria for the inclusion and removal of zones and municipalities covered by the PNCT.

The Program also supported the Consolidation Unit in defining an additional set of indicators that will form part of a second tracking instrument, the dashboard that the Unit will use to manage the implementation of the Consolidation Policy based on results, including the monitoring of budget

¹⁶ Teams for this task will be formed by psychologists, social workers and lawyers, who will be hired through an operator.

¹⁷ 1. Social Strengthening, 2. Community Meetings/Accommodations, 3. Psychological-Legal Assistance, 4. Emotional Recovery, 5. Strengthening Life Plans, 6. Volunteering for Victims, and 7. Return and/or Relocation Assistance.

¹⁸ Assistance, Attention and Comprehensive Reparations.

¹⁹ Royalties are payments made to the Nation by those who exploit mining resources.

commitments and the actual delivery of services and infrastructure by national entities in consolidation zones. The Unit does not currently have any mechanism for managing interagency agreements or engaging in this type of monitoring, making it difficult to make informed decisions and promote interagency coordination to meet the Consolidation Program targets. The new dashboard of indicators will provide direct input to the Unit and to the Office of the President, ensuring compliance with established goals and generating additional political buy-in.

In addition, the Program began the design of a new operating model for the Consolidation Unit's Rapid Response Program (RRP) that addresses: a) an investment-based strategy, b) the strengthening of its organizational structure, and c) a review of its processes. It is expected that in 2013 the RRP will be able to quickly execute resources of \$23.5 M in the consolidation territories.

Similarly, the Program achieved the following significant results during this quarter:

- It designed regulations that will allow for effective interagency coordination among the more than 30 Colombian state entities that must work together to ensure the provision of public goods and services to the consolidation municipalities, as well as to monitor the commitments made and results achieved in this area.
- It began structuring a portfolio of alternatives to make GOC infrastructure, social services and livelihood programs more flexible in response to the needs of consolidation zones and their vulnerable populations.
- It completed, in coordination with USAID's regional operators, the first phase of the workshops for strengthening the capacity of the territorial entities targeted by the Consolidation Policy to formulate projects to be funded with General Royalties System resources.
- It facilitated the coordination between the DNP and the UACT for the negotiation and implementation of the Contratos Plan for Northern Cauca, Southern Tolima, Nariño and Arauca.

Results, Milestones and Activities

Result 3.1: National Consolidation Policy (NCP) Framework Revised and Under Implementation

Milestone 3.1.1 Revised NCP Framework

Activities

3.1.1.a. Assistance for Developing the Consolidation Policy framework:

During Q10, the USAID Public Policy Program supported the UACT in structuring the decree that will regulate the Interagency Coordination System for Consolidation. This decree will define the decision-making offices, the coordination mechanisms, and the instruments for monitoring the management of the intersectoral intervention in the areas targeted by the policy.

The draft decree has received technical approval from the Ministry of Defense and was also reviewed by the Office of the High Commissioner for National Security and the DPS Director. The draft decree will now undergo a legal review, in order to be signed by the President and published.

Milestone 3.1.2 Support for development and implementation of Regional Consolidation Action Plans**Activities****3.1.2.a. Unify Regional Action Plan indicators in a Master Plan:**

The Public Policy Program completed the first draft of the Master Plan of Indicators for monitoring the progress of the Regional Consolidation Plans that are being executed. This instrument will enable the Directorate of Regions to monitor the performance of the regional consolidation offices, internally as well as externally.

In addition, in coordination with the Unit's Planning Advisory Office, the Program began a review of the Regional Consolidation Plans in order to adjust their territorial vision. With this exercise, the Unit will begin to update regional consolidation visions, which must take into account the particular problems of the regions, in accordance with the policy guidelines that have been defined so far. The Unit currently has a first draft of a table showing the strategic focus of each plan.

Milestone 3.1.3 Improved Service Delivery in Consolidation Zones²⁰**Activities****3.1.3.a. Support in Enhancing the Flexibility of the National Service Provision to Consolidation Zones:²¹**

During Q10, the Program started to work on this activity jointly with a group of experts who, in coordination with Consolidation Pillar team, are responsible for structuring the strategy for enhancing the flexibility of the national service provision. The aim of this effort is to analyze the specific problems that are faced by the various State entities in providing their services to the consolidation zones, and to then design and submit to the national government alternative proposals for **improving the effectiveness** of the instruments that are used for implementing its public policies in the zones prioritized by the PNCRT.

The strategic sectors targeted by the flexibility-enhancement strategy are:

- Infrastructure (roads, electricity, telecommunications, aqueduct and sewage),
- Social (health, education, and technical and technological training programs)
- Income generation.

To perform this analysis, the Program and the staff of the UCT's Directorate of Coordination collected information to be used in diagnosing these sectors' current offer of goods and services for consolidation zones. After this first step, the Program assisted the UCT in the definition of the scope of the flexibility-enhancement strategy and the Work Plan for developing it.

²⁰ Year 2 Work Plan Activity "3.1.3.b. Guidelines to customize sectoral services" efforts are now implemented under Year 3 Work Plan activities 3.1.3.a., 3.1.3.c., and 3.1.4 (Contrato-Plan).

²¹ Year 2 Work Plan Activity "3.1.1.a. Sector Action Plans for Consolidation Zones" is now covered by Year 3 Work Plan Activity 3.1.3.a.

After completing the consultancy on this strategy, the Program will deliver a portfolio of alternatives for enhancing the flexibility of the offer in each sector. This will serve as a key input with which the Unit can improve the impact of its coordination activities.

3.1.3.b. Design and implementation of a Dashboard to Monitor Ministries' Commitments:

The dashboard is the instrument with which the Consolidation Unit intends to monitor intersectoral management in the consolidation zones. The construction of the dashboard started in October 2012 with the definition of the sectoral indicators that measure the performance of each entity in the consolidation zones. These indicators were initially defined by the UACT's teams and subsequently submitted to the National Planning Department in order to subject them to a validation process, first with that entity and then with each one of the sectors. Finally, a total of 88 indicators were agreed upon with 30 entities of the National Government (see table below):

TABLE No 6.

Number of Dashboard Indicators per Entity	
Entities	Number of Indicators
The Presidential Agency for Overcoming Extreme Poverty	1
Banco Agrario	1
Coldeportes (Colombian Sports Institute)	3
Superior Council of the Judiciary	1
Department for Social Prosperity (DPS)	8
Escuela Superior de Administración Pública (Public Administration Training School)	1
Finagro (agricultural financing fund)	1
Findeter (Territorial Development Financial Agency)	1
Attorney General's Office	3
INCODER (Colombian Rural Development Institute)	7
Instituto Colombiano de Bienestar Familiar (Colombian Family Welfare Institute)	3
Agustín Codazzi Geographic Institute	2
INVIAS (Colombian National Highways Institute)	2
Ministry of Agriculture	3
Ministry of the Environment and Sustainable Development	2
Ministry of Culture	6
Ministry of Defense	3
Ministry of Education	8
Ministry of Justice and Law	3
Ministry of Health	2
Ministry of Information and Communications Technologies	6
Ministry of Housing, City and Territory	3
Ministry of the Interior	3
Ministry of Mining and Energy	2
National Natural Parks	2
National Civil Registry	1
RTVC (National Radio and Television of Colombia)	2
SENA (National Learning Service)	2
Land Restitution Unit (Special Administrative Unit for Land Restitution Management)	5
The Victims' Unit (Special Administrative Unit for Integral Victims' Assistance and Reparations)	1
Total	88

Source: Administrative Unit for Territorial Consolidation (UACT)

After the phase for defining and validating the indicators was completed, the Consolidation Unit began construction of the baseline, denominated "2010 and 2011-2012 Progress". During the development of this process, goals for the years 2013 and 2014 and the accumulated figures for the four-year period were established. Subsequently, the UACT's team reviewed the information that was delivered by each entity, and it began to develop the technical specifications for the indicators (current status).

The implementation of the dashboard depends on the approval of the indicators' technical specifications by each one of the entities. To date, technical specifications for 25 indicators have been developed for the following nine entities:

- Presidential Agency for Overcoming Extreme Poverty
- Public Administration Training School
- Colombian Family Welfare Institute
- Ministry of Mining and Energy
- Ministry of Culture
- Ministry of Information and Communications Technologies
- Ministry of the Interior
- SENA
- The Victims' Unit

Since the construction of technical specifications for 63 indicators is still pending and will depend heavily on the information that has to be submitted by the different entities, special work has been planned with the following entities:

- INVIAS: This is the most delayed case, because this entity has not submitted any information at all.
- Ministry of Defense: Provided indicators but there aren't any baselines or goals.
- Judicial Branch Entities (Attorney General's Office, Superior Council of the Judiciary): Provided indicators, but there aren't any baselines or goals.
- DPS: This entity modified the targeting criteria for developing the income-generating programs. This will lead to changes in the goals and delays in the whole process.

During Q10, the Program provided technical assistance to the UCT and the DNP in defining the sector indicators. The Program also contributed to the process of negotiating the indicators with the different entities involved, which resulted in the inclusion of strategic indicators that were not initially included in the dashboard. In Q11, the Program will advise the Consolidation Unit and the DNP on the review of the technical specifications for the final formulation of the indicators.

Milestone 3.1.4 Design of Interagency and Inter-Governmental Budget and Coordination Mechanisms²²

Activities

3.1.4.a. Support Consolidation Unit Management Coordination Mechanisms with other Interagency Development or Coordination Mechanisms Present in Consolidation Zones:

Support for the Management of Projects for the General Royalties System

In Q10, the Program completed the first phase of the workshops that are part of the strategy for supporting territorial entities in the formulation of projects to be financed with royalty resources.

During this period, 4 workshops were conducted in coordination with *Colombia Responde Norte Sur*, which had an impact on 16 consolidation municipalities in the operator's jurisdiction. The workshops were attended by 114 people, including officials from municipal and departmental governments, the Consolidation Unit and Colombia Responde.

TABLE No 7.

Number of Workshops Conducted			
Date	City	No. Attendees	Attendees' Profiles
Feb-14	Montería	35	Public: Secretariats and officials from the Municipalities of Montelibano, Puerto Libertador, San José de Ure, Tierralta and Valencia. UACT officials.
			Cooperation: ET – Colombia Responde Norte - Sur.
Feb-21	Caucasia	14	Public: Officials from the Municipalities of Cauca, El Bagre, Nechí, Tarazá and Zaragoza.
			Cooperation: Colombia Responde Norte - Sur.
Feb-26	Tumaco	45	Public: Officials from the Municipality of Tumaco and the UACT.
			Cooperation: Colombia Responde Norte - Sur.
Mar-04	Medellín	20	Public: Mayors, secretariats and officials from the municipalities of Anorí, Briceño, Ituango and Valdivia. UACT officials.
			Cooperation: Colombia Responde Norte - Sur.

The 4 workshops focused on 36 projects: 13 from the drinking water and basic sanitation sector, 8 from the transportation sector, 4 from education, 4 from sports and culture, 2 from energy, 2 from municipal facilities, 1 from housing, 1 from early childhood, and 1 from science and technology.

Ongoing Support for Contratos Plan in Consolidation Zones:

During this quarter, 4 Contratos Plan were signed with program support for the following consolidation zones: Southern Tolima, Northern Cauca, Nariño and Arauca. The Program coordinated Consolidation Unit participation in the discussions, negotiation and structuring process at the territorial level, through regional management offices in coordination with governors' offices, and at the national level, in

^{22 22} Year 2 Work Plan Activity "3.1.3.b. Guidelines to customize sectorial services" efforts are now implemented under Year 3 Work Plan activities 3.1.3.a., 3.1.3.c., and 3.1.4 (Contrato-Plan).

coordination with the DNP. Following is a summary of the issues, objectives and goals to be coordinated between the Contrato Plan and consolidation management teams in each of the regions:

- Cauca: Drinking water and basic sanitation, CERES (higher education). With respect to rural development, once the families and productive projects are identified, data will be exchanged in order to coordinate projects and update and formalize the cadastre.
- Tolima: Drinking water and basic sanitation, CERES, educational infrastructure and equipment, roads and rural land titling.
- Nariño: Drinking water and basic sanitation, educational infrastructure and roads.
- Arauca: Energy, drinking water and basic sanitation.

The success of the Contrato Plan instrument will depend on the execution and fulfillment of the commitments assumed. In this regard, the UACT plays a fundamental role in facilitating this execution process in the field because of its considerable knowledge of the territory, and in supporting the startup of the Contrato Plan management offices and their coordination with local governments.

Milestone 3.2.1 Design and Implementation of the Consolidation Unit: Institutional Strengthening of the Consolidation Unit

Activities

3.2.1.a. Consolidation Index:

During Q10, the Program began providing assistance for the construction of the Consolidation Index. In the first phase of this support, the Program began to analyze, identify and validate the variables that comprise the Index, as well as the application of the econometric model that will be used to calculate its results.

The Consolidation Index has been projected as a synthetic index to serve as an instrument for monitoring the implementation of the PNCRT in the prioritized zones and municipalities. It will measure the progress of the three pillars of the policy in an independent manner, as well as the progress of the complete and interdependent system; and it will help to define the input and output criteria to be applied in the PNCRT municipalities.

Among the activities developed during Q10, the Program held three (3) work meetings with the UACT at the national level, and it made three (3) regional reconnaissance trips (to the Municipality of Montelíbano in the Department of Córdoba, the Municipality of San Juan de Arama in the Department of Meta, and the Municipality of Tumaco in the Department of Nariño). The purpose of these trips was to learn about the matrix of indicators that had been structured in the past by some of the Unit's officials, and to validate that information with different strategic sectors of the PNCRT at the national and regional levels, in order to develop proposed indicators that respond in a sustainable manner to the measurement needs identified.

As of the date of this report, the Program has contributed to three versions of the battery of indicators that will form part of the Consolidation Index. In the latest version, 39 indicators were identified as being the most strategic, of which 16 are part of the "Territory Institutionalization" Pillar, 11 are part of the "Citizen Participation and Good Governance" Pillar, and 12 are part of the "Regional Integration" Pillar.

TABLE No. 8

Number of Variables or Indicators Identified										
	Total	1. Institutionalization of the Territory			2. Citizen Participation and Good Governance			3. Regional Integration		
Original version of the UAECT with perception	46	16			10			20		
Original UAECT version	33	11			7			15		
Second Version	33	2	7	3	2	4	2	3	8	2
Third Version	39	6	5	5	3	3	5	6	3	3

TABLE No. 9.

In progress	Pending	Proposed
Indicator formula in the process of being defined and validated	Scheduled interviews and unanswered requests	Databases open to the public or accessible upon request through the local liaison (validated in the pilot program)
Databases in the process of being consolidated	Databases that have already been requested but not yet sent	Lacking validation in other pilot programs or pending interview
Validation made in the first pilot program	Pending validation in the pilot programs	

All of the variables and indicators identified during the assistance provided for inclusion in the synthetic Consolidation Index are fed by secondary information. Therefore, the Regional Consolidation Management Offices will play a strategic role, since they will be responsible for collecting the information from regional sources.

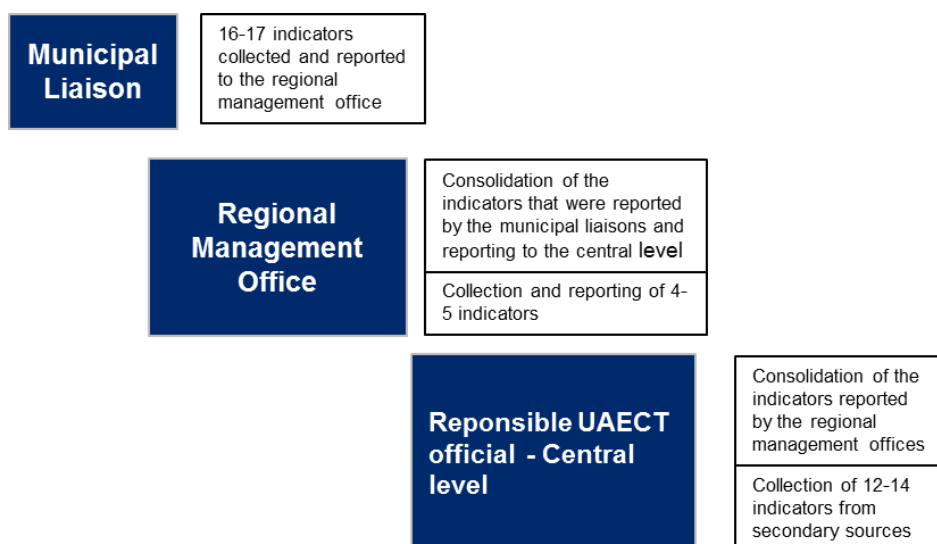


Chart 6. Proposed indicators for Consolidation Index
 Source: USAID Public Policy Program

One of the aspects that will require further analysis after this phase ends is the need to ensure mechanisms through which perception information can be incorporated in the Index. Perception information can be used to complement the results of this model, especially given the many particular characteristics of the different consolidation regions that should be taken into account when making certain strategic decisions.

Result 3.2: Institutional Structure Designed to Implement the NCP at the National and Regional Level

Milestone 3.2.2 Design of Consolidation Fund

Activity

3.2.2.a. Structure flexible budgeting mechanisms:

In accordance with the commitments made in Q9, during Q10 the Program started supporting the improvement of the operating model of the Rapid Response Program (RRP), based on the bottlenecks that were identified during the evaluation phase. The work method involved collecting and analyzing information from different sources:

1. Primary information from semi-structured interviews with the staff of the Rapid Response Program.
2. Secondary information derived from the interviews regarding action plans, documents describing the RRP, management reports, work methodologies, access to project information in the RRP's information system through the website <http://proyectos.consolidacion.gov.co>, responsible parties, planned commencement and termination dates, resources and project scope.

The budget context in which the RRP will operate during 2013 is as follows:

- \$ 6.3 M in investment funds that will be executed directly by the UACT.
- \$17.2 M for small infrastructure projects that will be executed through the Department of Social Prosperity.

Based on the information obtained about the RRP's operation, the Program submitted for consideration the following proposals to redefine the scope of the RRP and improve its management, based on strategic, organizational and process dimensions:

TABLE No 10

Dimensions for the Improvement of the RRP's Operating Model		
	Scope of the RRP	Project Management
Strategic Dimension	Alignment with national public policies	Criteria for the assistance of rural settlements (veredas)
	Scope of the Unit and the RRP (capacity to respond to new policies)	Project management agenda
	New policies after one year of action	Project sustainability and institutionalization (capacity generation) - For the municipality: adjust the RRP to its institutional planning and management evaluation process.

Dimensions for the Improvement of the RRP's Operating Model		
	Scope of the RRP	Project Management
	Determination of the RRP's institutional map	Accessibility and understanding of the community
	Expected effects and impacts (Monitoring and Evaluation Methodology - Consolidation Index)	
Organizational Dimension	Institutional coordination Roles of the General Management, the three directorates, the regional managers, the RRP and the Verification and Approval Committee (CVA)	Clarity of roles and the scope of the actors' functions in each stage of the project Previous roles related to the approval of the technical/legal/financial aspects and impact of the project Technical assistance by the itinerant group Coordination mechanisms and decision makers – Value generated by the CVA
Process Dimension	Quality Improvement System Documentation	Update of the RR Operating Manual
		CVA Regulations
		Supervision and oversight manual
		Contractual management with operators

The RRP resources that will be executed directly by the Unit will be used for the following purposes:

1. Generating trust in the zones that still require it.
2. Promoting strategic investment in order to obtain minimum results in the consolidation and reconstruction processes:
 - a. Zones that require the investment of their own resources in strategic activities that will have an impact on the consolidation and reconstruction of the territory/leveraging of resources.
 - b. Social projects, income generation and infrastructure.

Today, the Program's support is focused on the construction of the value chain of the RRP's operating model, and on the value chain of a project's management or path, for which a preliminary proposal already exists. The following charts present the preliminary proposal that the Program has presented:

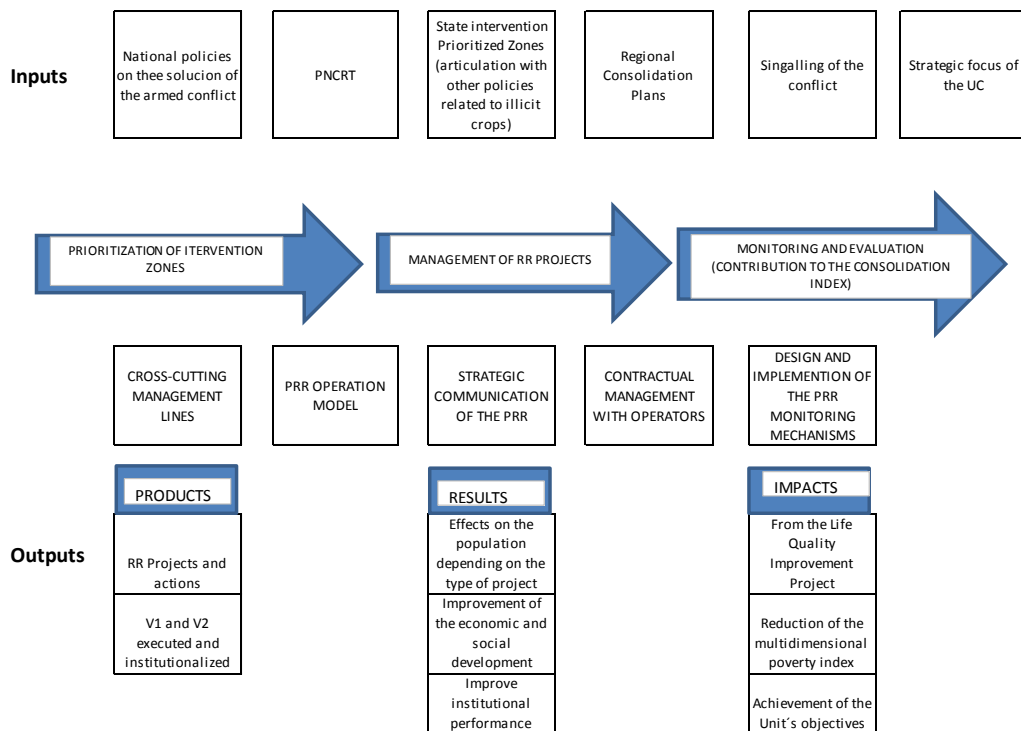


Chart 6. Value Chain of the RRP's Operating Model
 Source: USAID Public Policy Program

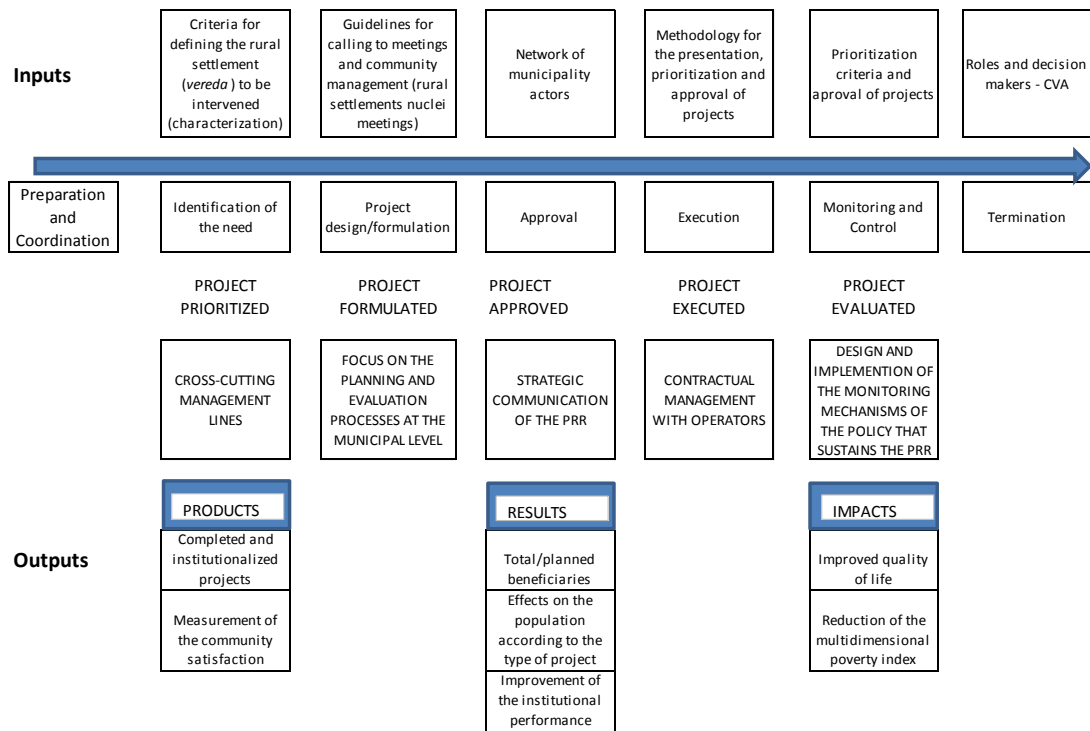


Chart 7. Value Chain of the Management or Path of a Project
 Source: USAID Public Policy Program

The Program has also proposed the following three contracting modality options for the Rapid Response Program:

1. Public bid: The process for initiating execution takes 3 months. The service or product to be contracted has to be determined or at least determinable.
2. Direct Contracting with Nonprofit Entities: The process for initiating execution takes 1 month. The procurement must involve the development of an activity of public interest, primarily a social activity, and not simply the outsourcing of the procurement of goods or services.
3. Reverse Auction: The process for initiating execution takes 2 months. The service or product to be contracted has to be determined, and a contracting process is necessary whenever there is a need to obtain supplies.

Q10 Policy Pillar Instruments delivered

- Draft of the decree for the Interagency Coordination System for Consolidation
- First draft of the Master Plan of Indicators for the regional consolidation plans
- Four workshops on the formulation of royalty projects, and advice provided for 36 projects in coordination with Colombia Responde Norte – Sur.

Q11 Pillar Challenges & Response Strategy

Challenge 1: Coordination of Management Tools for the Management and Decision-Making Processes

An important requirement of the PNCT is to have information and monitoring systems, which are currently lacking, in order to measure the results of the policy's implementation in the territories, determine the degree of compliance with each entity's commitments, and define the criteria for the inclusion and removal of municipalities covered by the policy.

With products like the Consolidation Index and the dashboard, among other measurement instruments, the UACT will have the necessary tools for evaluating and strategically monitoring the implementation of the PNCRT in the target zones. Thus, it is essential for the Unit to recognize these instruments as tools for improving its management capacity, both internally (in the Unit's various mission directorates and regional consolidation offices) and externally (in carrying out interagency coordination).

In the case of external management, the Program has proposed the creation of a Coordination System for Consolidation, which would seek to coordinate the interagency decision-making and management offices.

For this purpose, the Unit, through its Planning Directorate, must find the best way to coordinate and incorporate all of the elements that will enable it to develop a comprehensive vision, and thus facilitate its decision-making processes with respect to the interventions and impacts of the PNCRT in the territory.

Challenge 2: Implementation of the Rapid Response Program

The great challenge in Q11 will be to complete the new Rapid Response Operating Model and update the respective operating manual by April 30, and to begin the process of executing the program's resources. It is essential to ensure the RRP's effective operation, as it is the basic instrument for responding to the immediate need for state goods and services in the consolidation zones and, therefore, a fundamental instrument for the creation of trust and the generation of partnerships between the communities and the Colombian State.

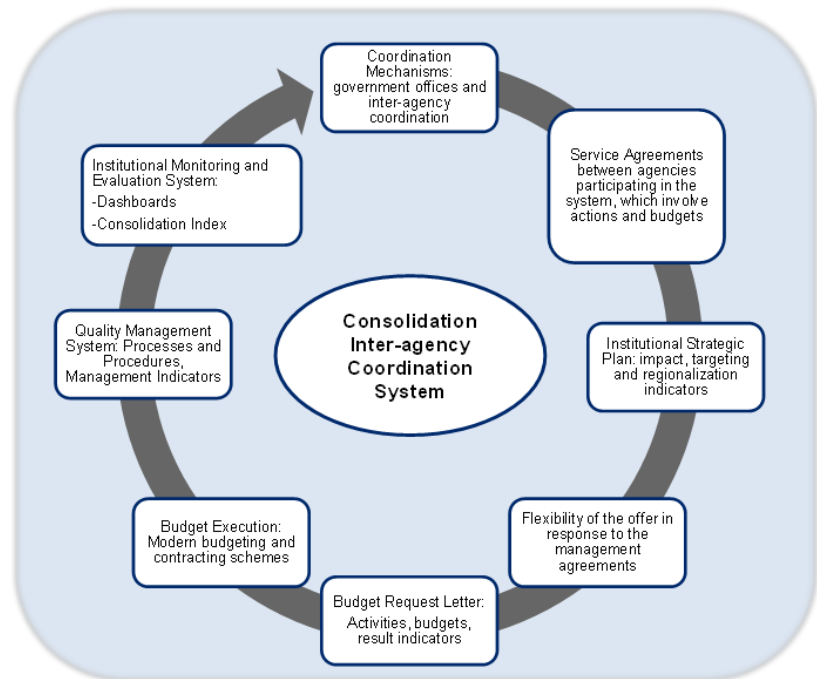


Chart 8. Proposed Consolidation Inter-agency Coordination Model
 Source: USAID Public Policy Program

This model will enable all of the Unit's officials, and especially its regional officials, to develop a strict plan for strategic investment in the territories, using methodologies for structuring projects that are tailored to the needs of each region. The use of this model will provide an opportunity for the Unit to use its own resources not only for making investments aimed at increasing trust in the territories, but also for making strategic investments that in some cases cannot be made by the State, but that are absolutely necessary for covering deficits and achieving the rapid progress of the municipalities in the consolidation process. It will be a great challenge for the Unit to use all of the tools and instruments that will be provided under this model, so that it can efficiently implement the RRP and obtain the measurements that are necessary for determining the real impacts of the policy in the territories.

Windows of Opportunity

Consolidation Index:

The implementation of the synthetic Consolidation Index is one of the key tasks included in the Program's Work Plan, and it will enable it to meet an important part of the requirements for measuring the results of the implementation of the PNCT. Due to the complexity of factors involved, it has taken more than a year of discussion to obtain agreements on this issue within the GOC.

The Consolidation Index will constitute an opportunity for the UACT to reconsider the way in which the Consolidation Policy is implemented in the different target municipalities. Based on the index results, the Unit will be able to learn about the status of each municipality in the consolidation process, and to identify the strategic needs that must be addressed in order to ensure its continued progress.

Thus, the Consolidation Unit will have basic information about more specific demands, which will help it to structure planning models from the bottom up (territory - nation) to meet the real needs of the

territory. This will enable the Unit to exercise its mission function by focusing its economic and technical efforts on the priorities of the territory, with a differential focus.

Once the consultancy for defining the index is completed, it will be important for the Consolidation Unit to identify its institutional capacity to initially apply the index in all 58 of the target municipalities, or to prioritize the municipalities and apply the index in those with the greatest needs, in order to identify their real condition. Once the baseline is obtained, it will be important to cross-check this instrument against the traffic light instrument, and to analyze the consolidation action plans that have been formulated in order to determine their relevance, in light of the results obtained.

After achieving the above, it will be important for the UACT to focus its inter-institutional activities on attending to the specific demands of the territories. For this purpose, it will be essential for the Unit to efficiently use the instruments provided with the strategy designed by the Program for enhancing the flexibility of the offer.

SUPPORTING ACTIVITIES CONTRIBUTING TO RESULTS

The Program is supporting a number of cross-cutting issues that are critical to the achievement of results in each pillar in order to ensure the integration of policy implementation at the regional level: mechanisms for budgeting and coordination at the territorial level; sustainable livelihoods and access to finance; environment, biodiversity and climate change; and gender. Lessons learned from past reform efforts indicate that land reform, assistance to victims, and consolidation must be accompanied by simultaneous reforms in other areas to ensure effective and sustainable results for rural communities.

SUPPORT ACTIVITY 4. GENDER

The Program is supporting the inclusion of a gender focus in a number of cross-cutting issues that are critical to the achievement of results in its targeted political and institutional reforms, as well as the implementation of models for providing assistance to vulnerable populations. In Q10, the Program completed the inclusion of a differential and participatory focus in the model for providing relief, assistance and reparations to victims, with an emphasis on gender and ethnicity. The Program also delivered recommendations to the High Commission for Women's Equity and the INCODER for the regulation of the Law on Rural Women (Law 731 of 2002) in relation to affirmative action in the provision of public services for women, such as financing, land and rural housing, education, and training in production, commercialization and technology.

Support Activity Result 4.1: Identify how current institutional and legal frameworks and policies facilitate gender inequality or fail to address gender disparities

Activities

4.1.a. Assessment of GOC service delivery to victims and poor farmers: In Q10, the Program completed a report on criteria, categories and elements for the inclusion of the differential focus in the model for providing attention, assistance and reparations to victims. This analytical report was based on a diagnosis of the advances and limitations of the incorporation of a differential and participatory focus in the concrete operations of the Victims' Unit, and on an analysis of the conceptual and legal framework for the presentation of a proposal on how to implement the strategic, tactical and operational

adjustments required for the effective incorporation of this differential and participation focus in the Unit's operating model. This report was delivered to the Victim's Unit, and it is expected that the Unit, the SNARIV and the organizations that support the implementation of the Victim's Law will take the recommendations into account. The implementation of these recommendations will strengthen the institutions involved in this process and, therefore, contribute to Activity 4.1b.

The analytical report prepared by the Program proposes the differential focus as a definitive element for the provision of comprehensive reparations. It notes that while a general action framework is required, a single route could not provide the appropriate means for proposing the assistance, given that flexibility and sensitivity are required not only for an approach based on individual characteristics, such as gender, ethnicity and disability, but also for taking different approaches with different population groups. The specific recommendations with regard to gender are related mainly to the training of officials, the adaptation of infrastructure, differential assessment criteria (impacts of victimization), a specialized offer and resources, participation protocols, and a clear and differentiated communications strategy.

Moreover, as mentioned in Activity 1.2.1.a, the Program presented recommendations to the High Commission for Women's Equity (ACPEM) and the INCODER on the regulation and implementation of Law 731 of 2002 and the Law on Rural Women. These recommendations are related to financing, production, commercialization and technology, land and rural housing, education, training and recreation, and institutional development that originate from the work carried out by the Ministry of Agriculture and Rural Development, the ACPEM and representatives of the Rural Colombian Women's Policy Impact Roundtable. Thematic work groups compared Law 731 requirements to the existing offer of services, diagnosed the obstacles and deficiencies that are preventing women from exercising their rights under this law, and made recommendations for improving the provision of services to rural women, especially those who are small and medium producers and those whose specific conditions make them more vulnerable. Examples of the recommendations are given in section 4.2.a.

4.1.b. Review institutional strengthening activities: The implementation of the recommendations described above will strengthen the institutions that provide assistance to victims and the rural sector, through the application of a differential focus and, in particular, affirmative differential actions for women.

The Program has also worked with the Land Restitution Unit to ensure that the training strategy (1.1.1.e), which has already been implemented, has a clear and strong differential focus, particularly with respect to gender. The teaching materials that are being prepared will have this emphasis and are expected to be completed in Q11. The Unit will also begin to develop dissemination materials in Q11 about its Compensation Fund, which will also have a differential focus. The Program is hiring a person to design these materials with the Restitution Unit. Finally, the communication strategy that will be implemented in Q11 will be developed with this perspective.

4.1.c. Policy coordination: The Program made recommendations for coordinating Law 731 and the Rural Development bill. The recommendations regarding the latter had been made on other occasions, but in this specific context, the Program sought to harmonize the two legal provisions, given that the law was signed more than 10 years ago, and the bill includes new visions and proposals.

Support Activity Result 4.2: Reform recommendations provided that promote gender equity in the Program-supported policy²³**Activities**

4.2.a. Regulate the Law on Rural Women: Following are some examples of the recommendations for the regulation of Law 731, the Law on Rural Women, that we have referred to in this report. It should be noted that the general recommendations include conversations with the institutions on the viability of certain specific recommendations, and that they will have a strong impact on what rural women expect under Law 731. They also depend to a great extent on decisions requiring political will and an analysis of viability.

- With regard to financing, particularly programs that include credit, recommendations were made about expanding the offer of services and resources, criteria that address the interests of small producers, assistance in applying for and using credit, and suggestions about debt forgiveness, among other matters.
- In relation to the offer associated with production, commercialization and technology, the Program suggested expanding the offer and making it more flexible to accommodate the needs of women; providing training; developing alternative food production technologies; and promoting agritourism, agroecology and clean production programs and projects, access to information and spaces for participation, among other things.
- In relation to land and rural housing, the Program highlighted the need for communication pieces that will help women learn about and understand their rights. The Program also proposed expanding the offer of services, creating and strengthening subsidies, providing direct awards in place of public bids, and providing preferential assistance based on particular conditions.

It should be noted that in Q10, el Program also made recommendations related to employment, health care, social security, education, training, recreation, participation and institutional development.

4.2.b. Pilot workshop for the prevention of violence against women and the provision of related assistance:

The Program conducted this pilot workshop in the city of Barranquilla at the beginning of Q10. Two experts on violence against women gave presentations to the participating judges, prosecutors, police, and family commissioners about theoretical principles. Some of the statistics presented reflect how, culturally, Colombian society to a large extent tolerates certain attitudes towards women. The experts also provided information about the most recent decrees and tools designed to prevent violence against women and assist women victims of violence (Decree 4463 of 2011, Decree 2733 of 2012, Decree 4798 of 2011, Decree 4796 of 2011 and Decree 2734 of 2012).

The Program's experts responded to officials' questions about what to do in specific cases of violence against women and clarified the role that is expected of them. The participants also engaged in working groups in which they were asked how they would handle specific cases. The workshop addressed weaknesses in local institutions (mentioned above) related to budget matters and the political will to

²³ Activity 4.2.a. Regulate Law on Rural Women is reported under *Land Pillar Activity 1.2.1.a. Harmonize Land and Rural Development Bill and the Law on Rural Women*.

prevent and address violence towards women. The workshop was considered a success by the ACPEM, considering the great interest demonstrated by all of the participating policemen, judges, prosecutors and family commissioners, who attended both days and presented their experiences, questions and concerns to the national and local governments. , Therefore three additional workshops will be conducted in other cities in Q11 as part of the joint work with this agency.

Window of Opportunity

The approval of CONPES Document 161 of 2013 on gender equity for women has provided a great opportunity for the coordination of the implementation of this document with the policy related to violence against women (mentioned in Activity 4.2.b) and with victims' and rural policies, and for coordinating these national policies with local policies, given the significant interest expressed by the High Commission in strengthening this policy coordination work. This coordination will involve the work of a consultant, who will evaluate how local practices and policies facilitate or complicate the implementation of national policies, and will identify the priorities in the territory in order to implement them more effectively.

SUPPORT ACTIVITY 5. ACCESS TO FINANCE

Mobile Financial Services (MFS) and E-Money Developed

Activity

5.1.a. Implementation of a Challenge Fund to promote E-Transactions: As part of the Year 2 Work Plan, the Program supported the MOF and the BDO in the constitution of a competitive fund to promote the development of new technologies and products that promote E-Transactions in Colombia. As a result, the government has put aside US \$1.6M to co-finance up to 50% of the value of each E-Transaction project, with a minimum of US \$60,000 and a maximum of US \$550,000 per project. The RFP was sent to financial institutions that might partner with cell phone companies and technology providers, among others.

As a result of the Program's work, the GOC received 14 innovative ideas during Q8, and in Q9 the GOC formed a committee²⁴ to pre-select the best ideas. The committee pre-selected 10 project ideas, and asked the financial entity proponents to prepare a full proposal, including a work plan and budget, by the end of January 2013. In Q10, these final proposals were evaluated by a panel of independent experts. The Program advised this panel on defining criteria for final selection based on the ability of the proposals to generate a significant impact with regard to type of electronic transaction, target population (unbanked segments), geographic coverage (primarily rural areas), contribution to the formalization of payments in the economy, and use of low-cost channels. As a result of the Program's work, the panel selected 3 proposals, which will be announced in Q11 and will be co-financed and implemented during 2013 and 2014.

²⁴ The committee is made up of representatives of the Ministry of Finance, the Ministry of Information and Communications Technology and BDO.

Support Activity Result 5.2: Make Available Financial Instruments Tailored to the Needs of the Population in Rural and Consolidation Areas, Victims, and Vulnerable Populations²⁵

Activities

Agricultural Financing System (AFS) Improved

5.2.a. Assist the GOC in the reform of the Agricultural Financing System (AFS): Historically, the Agricultural Financing System (AFS) has been focused on providing interest rate subsidies, credit subsidies (like *Incentivo a la Capitalización Rural* (ICR) and *Agro Ingreso Seguro* (AIS)), and state guarantees, which have proven to be inadequate. As a result, there is a limited range of financial services available for the sector, the transaction costs of accessing credit are high, and subsidies have principally benefited medium and large producers (not small producers), thereby limiting the sector's development.

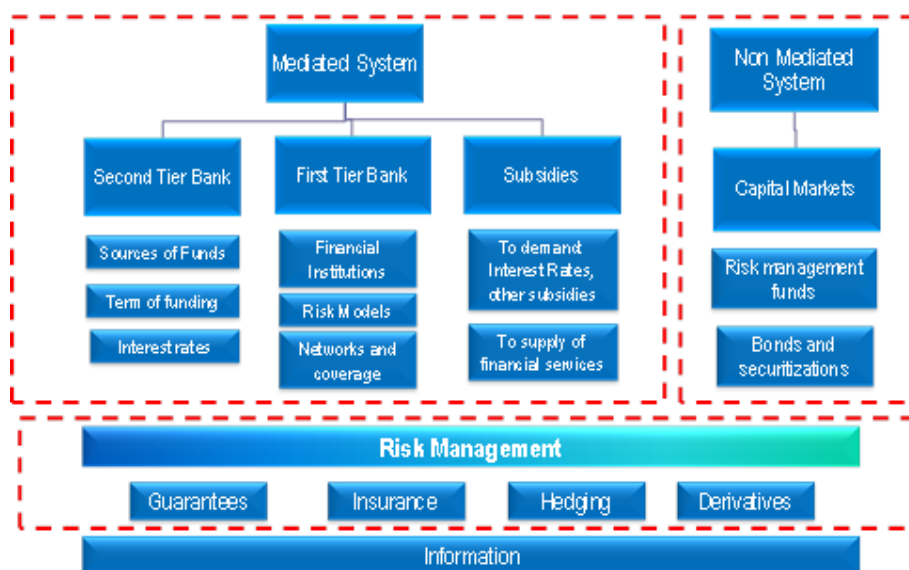


Chart 9. Reform Proposal for AFS
 Source: USAID Public Policy Program

During Q8 and Q9, the Program worked with GOC officials from the MADR, Finagro and Banco Agrario on the development of proposals to reform the Agricultural Financing System. During Q10, the reform proposals were presented to the National Agricultural Credit Commission, made up of the Minister of Agriculture, the DNP, the Central Bank, the Colombian Agricultural Society (SAC) and Finagro. As a result, a subcommittee was appointed to determine reform implementation priorities, and it will present these priorities and an action plan to the Commission for approval in Q11. Reform proposals include mediated system, non-mediated system and risk management:

In Q10, the Program also supported the Ministry of Agriculture in generating advocacy in favor of the reforms proposed. Two important presentations about the reform proposals were made to stakeholders: the Board of Directors of the Central Bank, which forms part of the National Agricultural Credit Commission, and representatives of the main agricultural associations in Colombia, which represent sugar, cotton, banana, rice, rubber and tobacco producers, as well as pig farmers and fertilizer

²⁵ Activities 5.2.b. and 5.2.c. are reported under Victims' Policy Pillar Activity 2.2.2.b., "Make available financial instruments tailored to the needs of the population in rural and consolidation areas, victims and vulnerable populations."

dealers, among others. The Central Bank agreed with most of the proposals and the importance of implementing them. As for the main agricultural associations in Colombia, despite the fact that the proposed reforms would eliminate benefits to which medium and large producers represented by these associations currently have access, their representatives concluded that it is necessary to improve the financing and financial services available to the agricultural and rural sector. They pledged to analyze the proposals and will announce their official position in May.

The Program also worked to promote agricultural microcredit. This is a key product for expanding access to credit for small producers. However, the supply of agricultural microcredit in Colombia is insignificant. The Program carried out the following activities during Q10 in order to raise awareness about the impact and benefits of agricultural microcredit programs:

Field visit to learn about one of the few agricultural microcredit programs in Colombia, offered by Banco Agrario. This product already has more than 5,000 customers and an excellent portfolio quality. The visit was made in February by the Director and Sub-Director of *Banca de las Oportunidades* to small dairy farmers in Sopó, Cundinamarca.



Banco Agrario's agricultural microcredit advisor with the beneficiary of a US\$900 loan for the purchase of a milk cow.



International Seminar on Agricultural Microcredit: In alliance with ICP, the Program supported BDO and Finagro in preparing and conducting this seminar to discuss agricultural microfinance and learn from international experiences. The Program assessed different international entities to determine which experiences were relevant for Colombia, contacted the experts and designed the agenda. As a result, the heads of Banrural (Guatemala), Banco do Nordeste (Brazil), Financiera Confianza (Peru) and Banco FIE (Bolivia), attended the seminar. The seminar was also attended by banks, cooperatives, microfinance NGOs and GOC officials, who were able to learn from the successful experiences of these countries in providing adequate and profitable financing for the rural sector.

Roundtable of Experts: The program took advantage of the presence of the invited seminar speakers to lead a roundtable of experts, in alliance with ICP and the *Portafolio* newspaper, to discuss the challenges of implementing agricultural microcredit. The roundtable was made up of the international guests, BDO, Finagro, the Association of Microfinance Institutions (ASOMICROFINANZAS), the Colombian Banking and Financial Institutions Association (ASOBANCARIA), and experts on agricultural financing. During the roundtable, the challenges for implementing agricultural microcredit were discussed and the experts provided recommendations and shared their lessons learned with the Colombian associations. As a result, *Portafolio* published an article on March 10, 2013 titled "Rural Credit Remains in Debt".



Roundtable of Experts on Agricultural Microcredit, March 7, 2013



Meeting between the Government and international experts, March 7, 2013

Dialogue between the Government and the international experts from Peru, Guatemala and Bolivia who attended the international seminar: The Program led a meeting between senior government officials and the international experts, attended by the Vice Minister of Agriculture, the Director of the BDO, the DNP, Finagro and Banco Agrario. The representatives of the Colombian government suggested the possibility of study missions to the experts' countries in order to learn about experiences in the field.

Financial Inclusion for Victims of Violence

5.2.b. Advise the Victims' Unit on complying efficiently and expeditiously with mandates regarding the payment of humanitarian assistance and reparations for victims of the conflict: (see activity 2.2.1b)

5.2.c. Pilot program to promote the financial inclusion of compensated victims and provide assistance to enable reparations resources to contribute to rebuilding victims' lives: The Public Policy Program supports the GOC in promoting the financial inclusion of victims of the armed conflict. During Q10, the Program provided technical advice to the Victims' Unit on designing a program to provide financial education to at least 50,000 victims who will receive compensation in 2013, in order to promote the investment of these funds in projects that will contribute to the reconstruction of victims' lives (housing, education, land and productive activities).

The Program advised the Unit on the development of a cooperation agreement with Banca de Oportunidades for the purpose of implementing the financial education program. As a result, the Victims' Unit will contract out the operational and logistical aspects of providing this training to make use of banking services to 50,000 victims in at least 50 municipalities in which it is present. The BDO will be responsible for providing the training content and materials; training the trainers, which will involve training reparations liaisons, leaders of victims' groups, and volunteers; and providing financial education for ethnic groups and minors. The financial education workshops are expected to begin in Q11.

Financial Products Expanded in Consolidation and USAID Afro-Colombian & Indigenous Program (ACIP) Municipalities

5.2.d. Synergies with CELI and ACIP Programs: During Q10, the Program, together with Bancolombia and Davivienda, began exploring the possibility of implementing a strategic alliance for

expanding their products and operations in consolidation municipalities with the support of the government and USAID's regional programs. Bancolombia confirmed its interest in working again with USAID, given the good results of the technical assistance that it received during the MIDAS program. In March, the Program coordinated a workshop with the bank, the Consolidation Unit, CELI Centro, CELI Norte-Sur, CELI Montes de María, the Public Policy Program and USAID, in which working groups identified three joint work areas: agricultural credit, the expansion of networks (mainly banking correspondents and mobile points of service), and financial education campaigns. The alliance is expected to be formalized in Q11.

Davivienda also expressed an interest in expanding its offer of services, mainly agricultural credit, in the consolidation municipalities. The Program will continue to develop this alliance in Q11.

5.2.e. Design of a policy instrument to incentivize financial institutions to expand financial services in consolidation municipalities: The Program is advising BDO on the development of a policy instrument that will reduce the costs and risks of offering financial services, and therefore enhance the presence of financial institutions, in consolidation municipalities. During Q10, the Program, BDO and Consolidation Unit officials made one field visit to Montería, Montelíbano and San José de Ure in Córdoba in order to identify the financial needs of these consolidation municipalities. BDO made two additional visits to Catatumbo and Meta. The main deficiency found during these 3 visits was the lack of branches to serve the population. In order to expand the branch network in the consolidation municipalities, the Program is currently working on the design of a policy instrument to encourage financial institutions to increase their presence through branches in consolidation zones, which will be presented to BDO and the Consolidation Unit in April.

5.2.f. Design strategies to promote financial inclusion in regions with a *Contrato Plan*: In order to design adequate strategies for promoting financial inclusion in these regions, during Q10 the Program analyzed the two dimensions of financial inclusion: *access* and *usage* in municipalities with a *Contrato-Plan*. Access refers to the ability to use available financial services and products from formal institutions (physical proximity, affordability), and *usage* refers to the actual usage of financial services/products (regularity, frequency). Having reliable and up-to-date financial inclusion data is critical for diagnosing the state of financial inclusion in these municipalities and producing evidence-based strategies for expanding financial services. The findings will be ready in Q11, and they will serve as the basis for a proposed financial inclusion strategy.

Q11 Challenges & Response Strategy

Challenge I: Agricultural Financing System (AFS) Reform. The AFS reform guidelines call for profound short-, medium- and long-term regulatory, policy instrument and institutional modifications. They also change conditions for medium and large producers that currently benefit from the system, so resistance can be expected from these stakeholders. During Q11, the Program will work with the government to develop some of the proposals. The Program will also continue to support BDO in the design of an incentive to promote agricultural microcredit.

Challenge II: Access to financing for victims. The GOC faces a major challenge in ensuring financial inclusion for the 4 million victims who will receive humanitarian assistance and reparations over the next 10 years. The GOC needs to structure the humanitarian assistance and reparations payments, and ensure that victims use these funds to rebuild their lives. This implies structuring and implementing institutionally strong, adequate and transparent payment and financial services strategies in coordination with public and private entities. In Q11, the Program will continue to provide expert financial and legal

advice to the Victims' Unit on the development of bid specifications for awarding humanitarian assistance, and on the development of the studies required for the bid to award compensation payments in the amount of US \$330M. The Program will also continue to support the Victims' Unit in the implementation of the financial education program for victims.

The Program will also follow up on work completed to date under Activity 5.2.e by developing a financial incentive for consolidation municipalities, and under Activity 5.2.f, by developing a strategy for integrating financial inclusion into *Contrato Plan* activities.

SUPPORT ACTIVITY 6. LINKAGES BETWEEN GOVERNMENT LEVELS AND USAID IMPLEMENTERS

The Program is providing the tools needed for the effective coordination of interagency activities, budgeting and implementation within the GOC, as well as with USAID implementers, to ensure a comprehensive and strategic approach to the execution of key policies in the regions. The Program's linkage activities directly support the GOC's ability to provide improved services to, and generate sustainable livelihoods for, rural populations, victims, and individuals living in consolidation zones, thereby contributing to an effective state presence in these territories.

During the quarter, the Program designed the governance and management model for the *Contrato Plans* for Nariño, Tolima and Cauca that were signed in January 2013, and it provided technical support to the DNP on the elaboration of planning instruments using unified templates, such as the Multi-Year Operating Plan and the Annual Action Plan, which will be useful in facilitating the implementation phase of the new *Contrato Plans*. The Program also provided the recently-appointed managers of the *Contrato Plans* for these three regions with technical assistance and training on the functioning of this public investment instrument and the different impacts that it has had in the regions.

Support Activity Result 6.1 Link Local, Regional And National Government And USAID Implementers

Activities

Mechanisms for budgeting and coordination at the territorial level

6.1.e. Pilot *Contrato-Plan*:

During the first quarter of 2013, the Program provided technical assistance to the DNP with initial guidelines for the design and creation of the governance and management model for the *Contrato Plans* of Nariño, Tolima and Cauca, which were signed in January 2013. Governing Councils were formed and internal regulations are being discussed for their operation, structure of each management office is being designed, and support is being given for defining the profiles of their technical teams. Likewise, the Program advised the DNP on the construction of instruments for the planning of this new execution phase, and contributed to the creation of technical forms for the Multi-Year Operating Plan and the Annual Action Plan. These Plans are operating instruments that facilitate the execution and monitoring of budgetary and programmatic decisions, and ensure the achievement of annual and multi-year commitments assumed by the parties to the *Contrato Plans*.

Contrato Plan Progress: The four *Contrato Plans* for Nariño, Cauca, Tolima and Arauca were signed in January. It is worth noting that the Program supported the DNP in the signing process for

three of them (Nariño, Cauca and Tolima). The Program supported all elements of the design of these Contrato Plans, including the definition of the strategic vision, the negotiation process between the national and local governments, the formulation of operating plans, and the preparation of legal drafts. Following is the progress to date:

TABLE No 11

	Achievements derived from the consultancy provided to the DNP	Next steps in assisting the DNP
Regulation	<ul style="list-style-type: none"> Initial recommendations about the required structure of the Technical and Management teams for each Contrato Plan signed in January. This was based on the work areas of each sector and their development status. Definition of technical profiles for the suggested management team. Induction given to national-level managers. Support in the elaboration of the forms for the Multi-Year Operating Plan and Annual Action Plan. Support in the elaboration of the Multi-Year Operating Plan and the 2013 Annual Action Plan for Cauca, Nariño and Tolima. Identification of processes for entering into agreements on a Contrato Plan model based on experiences with the pilot programs. Meetings for documenting experiences to date with regard to the regulation, management, negotiation and signing of Contrato Plans. 	<ul style="list-style-type: none"> Define and formalize the 2013 Action Plans after the budgets and administrative processes are reviewed and agreed upon with national and territorial entities. Contrato Plan Governance Model: Adjust the roles, processes and procedures for the coordination of the management teams with the DNP and Ministries, as well as with the Executive and Technical Committees of the Contrato Plans. Formulate proposals for the budgetary management of the commitments that sectors have made in the Contrato Plans, and for the approval of future budget periods or higher budget ceilings. Recommend channels and means for presenting performance progress and exercising participatory social control over the management of Contrato Plans. Provide advice on designing the system for monitoring and evaluating the goals and budgets of the Contrato Plans. Strengthen the institutional capacities of central-level State entities in the areas of accountability, monitoring, evaluation, budgeting and contracting.
Signed Strategic Agreements	<ul style="list-style-type: none"> Nariño: 14 municipalities on the Pacific Coast and the border with Ecuador. Cauca: 13 municipalities of Norte del Cauca. Tolima: 9 municipalities of Southern Tolima. Arauca: The 7 municipalities of the Arauca Department. 	

Closure of the Q1 (Jan-Mar) 2013 Negotiation Phase Supported by the Program in Consolidation Territories (Nariño, Cauca, Tolima and Arauca)
TABLE No 12

Application Area	Strategic Axis	Priority Components	Sectors	Estimated % of State Co-funding	Status as of Jan-30 /13
Nariño (5 years) : USD \$833M					
14 municipalities and 585,565 inhabitants	Sustainable Human Development	Accessibility to services with social inclusion; development of infrastructure for competitiveness; productive boost with environmental sustainability; contribution to the exercise of national sovereignty.	Education and Health, PWBS, Energy, Gas, Roads, Infrastructure, ICT, Agriculture, Water	80%	Draft signed in January 2013. Governing Council elected. Manager hired. Management Team: NOT hired.
Tolima (5 years): USD \$500M					
9 municipalities and 228,552 inhabitants	Rural development and quality of life of peasant families	Rural development with a territorial approach; social development; infrastructure; environmental sustainability	Health, Education, Housing, Roads, Energy, ICT, Environment	76%	Draft signed in January 2013. Governing Council elected. Manager selected. Management Team: NOT hired.
Cauca (3 years): USD \$345M					
13 municipalities and 385,936 inhabitants	Comprehensive rural development and welfare	Rural development with a territorial approach; social development; infrastructure and environmental management; productive development and tourism.	Agriculture, Education, Health, Comprehensive Assistance, Income Generation, Tourism, Water, Transportation, ICT and Energy	67%	Draft signed in January 2013. Governing Council elected. Manager hired. Management Team: NOT hired.
Arauca (8 years): USD \$738M					
7 municipalities and 25,527 inhabitants	Productivity and Competitiveness	Productivity; competitiveness; equality of opportunities; environmental sustainability; sovereignty and territory.	Water, Roads, Environment, Housing, Health, Education, Public Utilities, Security and Coexistence, Mines and Energy	56%	Draft signed in February 2013. Governing Council to be elected. Manager selected. Management Team: NOT hired.

Q11 Challenges & Response Strategy

Challenge 1:

The main challenge that the Public Policy Program will face in the next quarter with respect to Contrato Plans is in providing recommendations to the DNP on how the policy and regulations should be adjusted, based on the analysis of the planning and negotiation processes of the pilot Contrato Plans (Work Plan Activity 6.1.d., “Contrato Plan policy framework and regulation”). These recommendations will assist the DNP in designing the regulations and negotiating and signing the 6 pilot programs. The Program will also help the DNP to develop policy guidelines for the management of Contrato Plans, design the governance model processes of the Contrato-Plans, and provide recommendations for the design and implementation of the Monitoring and Evaluation System for the Contrato Plans.

SUPPORT ACTIVITY 7. ENVIRONMENT

The USAID Public Policy Program provides assistance to the GOC for the identification of reform priorities, and it supports reforms and the implementation of plans for the protection and conservation of biodiversity, climate change, and land-use planning. It provides technical support and produces environmental policy recommendations for the introduction of greenhouse gas reduction policies. Moreover, it assists in the implementation of relevant institutional reforms and supports an open dialogue between GOC officials and communities in order to build consensus regarding the definition of roles and responsibilities on community lands and indigenous reservations.

The Program’s activities in Q10 were focused on reducing Colombia’s vulnerability to climate change through the formulation of the Third National Communication on Climate Change (which takes a holistic approach from the diagnosis to the strategy and components proposed for the mitigation of, and adaptation to climate change, as explained further in this document), and the provision of recommendations for the sustainable construction and urban development policy, which is one of the components that both affect and are impacted by climate change. These two activities were completed in Q10, and therefore, in its final months the Program will focus its environmental activities, as explained in the Window of Opportunity section, on proposing recommendations for making the prior consultation process more efficient and on seeking alternatives to enable the formalization of informal mining by small producers in order for such producers to be included.

4.3.a. Climate Change policy document: The Program’s support for a climate change policy document took the form of assisting the Hydrology, Meteorology and Environmental Studies Institute (IDEAM) in structuring the Third National Communication on Climate Change. The Program delivered the final version of this document in Q10 (this activity was included in the 2012 Work Plan). As required by the format established by the United Nations, to which it will be presented, the document begins with an analysis of the status of climate change in Colombia, the environmental policy framework, the existing baselines and the actors and institutional arrangements employed to confront climate change. It then explains why Colombia should be eligible to present its project to the Global Environmental Fund (GEF) and describes the strategy that the IDEAM, as project leader, and the other actors with whom it is working, have adopted to achieve solutions.

The strategy includes five components: National Circumstances, National Greenhouse Gas Inventory (GGI), Mitigation, Vulnerability and Adaptation and, finally, Information and Generation of Relevant Knowledge. Following is a brief summary of what is expected from each of the components.

- 1) National Circumstances: Update information on institutional, ecosystem, social, economic and political developments associated with climate change for the period 2008-2014.

- 2) National Greenhouse Gas Inventory (GGI): Estimate GGI inventories for the years 2005, 2008 and 2010, in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC).
- 3) Mitigation: Report the mitigation actions taken by the country in implementing its Low Carbon Development Strategy (LCDS).
- 4) Vulnerability and Adaptation: Update and summarize the country's hydrometeorological information in order to identify its vulnerability to climate variability and extreme events, and the economic and social impacts of climate change.
- 5) Information and Generation of Relevant Knowledge: Include additional information about other actions taken in relation to climate change, such as implementation of the strategy to educate the public and raise its awareness about climate change.

Finally, the document includes a monitoring strategy and indicators, assumptions, a risk analysis, a financial proposal, and a sustainability and replicability analysis.

Support Activity Result 7.4 Support the GOC in Sustainable Urban Development and Construction

Activity

7.4.a. Sustainable urban development and construction policy document: In Q10, the Program completed an analytical report with recommendations for the DNP, in order to assess the design of the Sustainable Urban Development and Construction Policy. The report includes conceptual, institutional, and policy information, as well as a diagnosis of the current technical regulatory framework for the country's Construction Sector. The report also describes the roles of key actors involved in implementing the policy, such as decision makers, public entities, builders and citizens, in order to provide a general and detailed framework for the policy's development and consequent emissions reduction. The report describes the country's construction and urban development cycles, where they intersect, and which elements require specific analysis in order to include a sustainable approach within these cycles. The report also lays out an analysis of different international experiences in developing and implementing similar policies, such as in Mexico, where lessons learned could be applied to Colombia due to the similar socioeconomic conditions of the two countries. Finally, the study proposes a core of seven policy instruments to be developed to change current building patterns in the country.

In Q11, the Program will develop a legislative debate in which DNP officials, technical experts and members of Congress will discuss the Program's recommendations in order to incorporate them in the Sustainable Construction Bill recently presented by Representative Simon Gaviria.

Window of Opportunity

In accordance with Colombia's constitution and laws, the country's indigenous, Afro-Colombian and Rom communities must be consulted in advance about any projects or laws that might have an impact on them. This prior consultation must be conducted for both public and private projects, and various experiences have produced lessons for improving the process. A large number of these consultations involve an analysis of environmental impacts, particularly with respect to mining projects. In the coming months, the Program will seek alternatives and study experiences of efficient policy execution that have

produced positive results for all parties, and will compare different types of cases, with an emphasis on mining projects, especially those involving initiatives to formalize small mining operations.

There is another window of opportunity, considering that the Sustainable Construction Bill and the inputs to the Sustainable Urban Development and Construction Policy present a significant opportunity to make an impact on the law, and its further regulation.

SUPPORT ACTIVITY 8. KNOWLEDGE MANAGEMENT

Activities

8.a. Monitor: In Q10, the Program uploaded information relevant to Q9. As a result, information from all four quarters of FY2012 and the first quarter of FY 2013 has been uploaded into the system.

8.d. Website designed and functioning: In Q10, relevant information about the Program's activities, results and events was updated and published on the USAID Public Policy Program's website (<http://www.icpcolombia.org/proyectos.php>), administered by the Political Science Institute (*Instituto de Ciencias Políticas* - ICP).

8.e. Quarterly Reports: The Program produced its Q9 quarterly report and delivered it to USAID at the end of January, 2013.

8.f. E-bulletin: During this quarter, the Program delivered three monthly e-bulletins to USAID, which reported the following successful stories and news about its activities:

- USAID support leads to the compensation of 157,000 victims in 2012
- Achieving the Goal for Rural Development: The Transformation of the INCODER
- Historic milestone for victims' reparations: First land restitution award
- Building Local Capacity: Successful Formulation of Projects Funded by the General Royalties System

8.g. Weekly/biweekly reports: In Q10, the Program delivered four biweekly public policy reports to USAID which analyzed cutting-edge information on the progress made in key policy areas in Colombia (land restitution, land formalization, victims, consolidation, access to financial services, rural development, and peace). At the request of USAID, the Program developed two briefers on the administrative and legal aspects of the Contrato Plans.

8.h. Work Plan: After minor adjustments were made to the Victims' Pillar Activities, USAID approved the Program's Year 3 Work Plan on January 23.

8.k. Public discussion of key public policy issues: Given the ICP's capacity to influence public opinion and gain access to the media, decision makers and academia, the Program worked closely with it to organize strategic roundtables, workshops, debates and seminars on key Program-supported issues, including the following: a) a training workshop titled "The Media and Transitional Justice in Colombia", which was attended by close to 40 journalists from the national media and the media in regions affected by the internal armed conflict; b) an expert roundtable that analyzed the current status of the prior consultation legal reform process, as well as successful experiences in the achievement of agreements between ethnic minorities and the private sector; and c) in alliance with *Banca de Oportunidades, Finagro* and *Diario Portafolio*, another expert roundtable and an international seminar on agribusiness micro-

credit experiences in Colombia, Bolivia, Peru, Brazil and Guatemala, which were attended by the most important financial institutions in the sector.

PROGRAM MANAGEMENT AND ADMINISTRATION

To date, the Public Policy Program has billed a total of US\$18,997,676, amounting to 76% of its current funding. The Program expects to increase its burn rate by July as payments go through for several consultant and subcontractor assignments.

RECRUITMENT/CONTRACTING

In Q10, the Program hired 28 consultants (STTA), obligating about COP\$485,218,824 (or approximately US\$269,566)²⁶, as shown in the following breakdown:

Pillar	No. Consultants	Amount COP\$	Amount US\$	% Distribution of Contract Amount
Land	12	\$262,426,384	\$145,792	54%
Victims	8	\$80,879,000	\$44,933	17%
Consolidation	8	\$141,913,440	\$78,841	29%
Total	28	\$485,218,824	\$269,566	100%

The Program also obligated about USD \$134,182 to hire two subcontractors during Q10 as follows:

Component	No. Contracts	Values USD	% Distribution of Contract Amount
Consolidation	1	\$55,555	41.4%
Victims' Policy	1	\$78,626	58.6%
Total	2	\$ 134,182	100%

OPERATIONS

Events: The following table shows the workshops offered by the Program in Q10. Information is presented by program pillar, event name, participants' gender and participant level of satisfaction with the quality of each event:

Date	Pillar	Event Name	Total Participation	Men	% Men	Women	% Women	Public Servants	% Public Servants	% Satisfaction with Events
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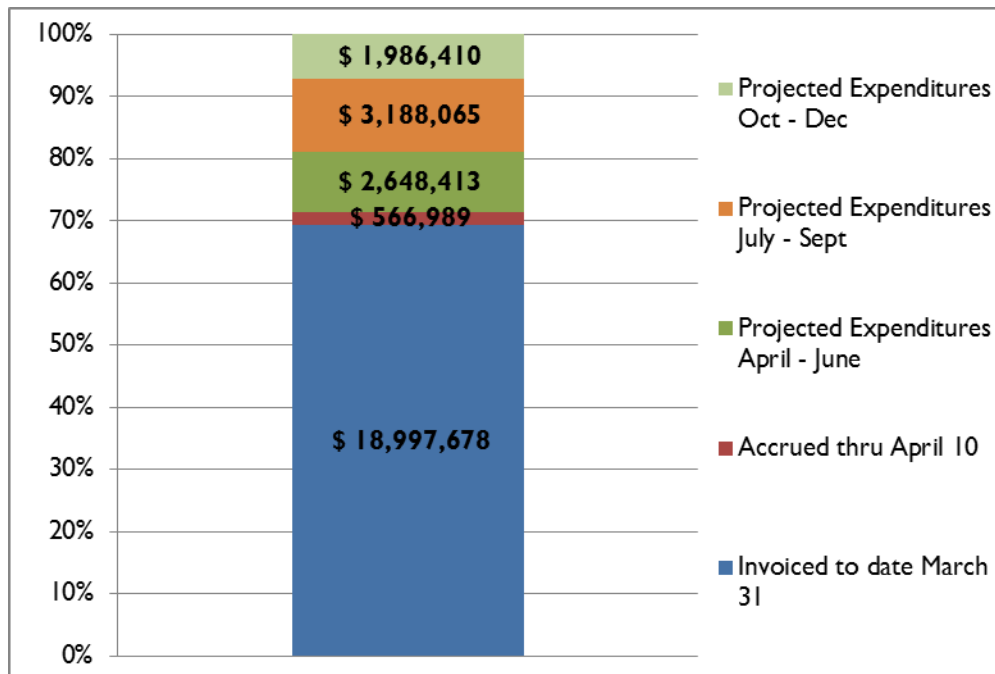
²⁶ Exchange rate used: 1,800 Colombian Pesos per US Dollar.

Date	Pillar	Event Name	Total Participation	Men	% Men	Women	% Women	Public Servants	% Public Servants	% Satisfaction with Events
25-Jan	Consolidation Policy	Strategic Planning for the "Consolidation Unit"	25	15	60%	10	40%	20	80%	91%
29-30 Jan	Land Policy	Route of Assistance for Women's Rights (Barranquilla)	77	18	23%	59	77%	72	94%	91%
30-Jan	Victims' Policy	Workshop on "Minimum Subsistence"	21	6	29%	15	71%	14	67%	93%
5-Feb	Victims' Policy	Information Systems	15	3	20%	12	80%	6	40%	90%
14-Feb	Land Policy	Schedule for the Gender Equity Differential Approach (SNARIV)	14	3	21%	11	79%	13	93%	92%
14-Feb	Victims' Policy	Conference "Jornadas Proyectándonos" for the Victims' Unit (Cúcuta)	128	34	27%	94	73%	3	2%	92%
15-Feb	Victims' Policy	Conference "Jornadas Proyectándonos" for the Victims' Unit (Buenaventura)	72	27	38%	45	63%	13	18%	82%
7-Mar	Land Policy	Seminar on Microfinance with international experts	20	13	65%	7	35%	8	40%	93%
8 - 9 Mar	Victims' Policy	Training on Functions for the Planning Division of the UAERIV	22	10	45%	12	55%	18	82%	100%
11-14 Mar	Victims' Policy	Training on Planning, Budget Execution, and M&E of the Victims' Policy	131	55	42%	76	58%	129	98%	95%
21-Mar	Victims' Policy	Workshop on the "Inclusion Model for the Differential Approach"	62	18	29%	44	71%	38	61%	90%
22-Mar	Victims' Policy	Workshop on the Victim's Unit	45	19	42%	26	58%	43	96%	99%
Total			632	221	35%	411	65%	377	60%	92%

FINANCIALS

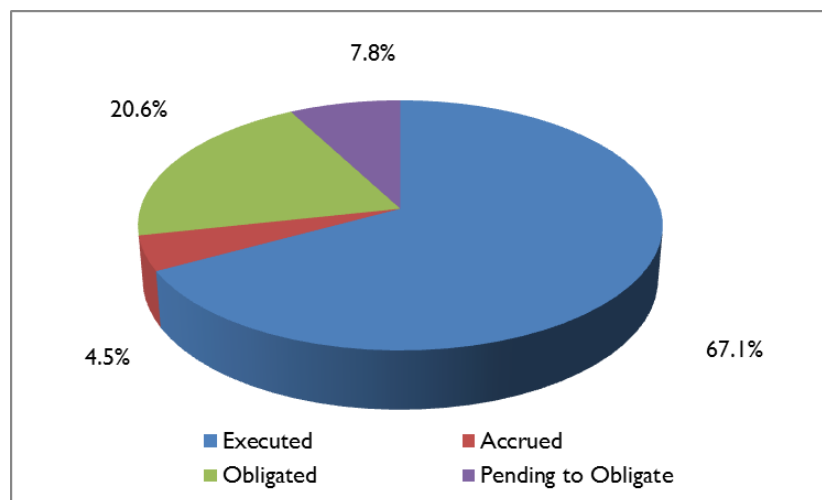
As of the end of March, the Program billed USAID a total of US \$18,997,676 for expenses incurred through March 8, 2013. In addition, the Program will bill an estimated US \$566,988 in expenses accrued through April 8, for a total of US \$19,564,666. As a result, by the beginning of April, 71.4% of the Program's resources would have been billed, leaving 28.6% (US\$ 7,822,878) remaining to be billed to USAID.

USAID Public Policy Program Expenditures to date



Note: Numbers reflect amounts that will be accrued each month, not invoiced

Budget Execution Distribution until Q10



As can be concluded, 28% (US\$ 7.8M) of the Program's budget has yet to be billed to USAID. However, 71% (US\$ 5.5M) of this amount has already been obligated to finance the operations and hiring for the scheduled Year 3 Work Plan implementation. Consequently, approximately 92%, or US\$ 25.3M, of the Program's resources have been obligated to date. The remaining 8% in unobligated funds will be obligated during the next quarter

ANNEX I. RESULTS TABLE: ACHIEVEMENTS TO DATE

Results/Performance Standards	Delivery Requirements /Milestones	percentage weight	Year 1	Year 2	Year 3	Year 4	Year 5	Q10	% achieved by result Q10 (Mar 2013)
PILLAR ONE: LAND POLICY									
1.1 Land restitution chapter of the Victim's Law implemented	1.1.1 Land Restitution Unit established	70%			●			87%	81%
	1.1.2 Inputs to Compensation decree	10%			●			0%	
	1.1.3 Inputs to Land Restitution for Ethnic Minorities decree	20%	✓					100%	
1.2 Land and Rural Development Law drafted and Implemented	1.2.1 Inputs to Law for Rural Development	20%			●			80%	85%
	1.2.2 Design of Unit for Rural Land Use Planning	5%	✓					100%	
	1.2.3 Design of Sustainable Livelihoods Policy Framework	25%			●			85%	
	1.2.4 Design of Regional Rural Development Areas Programs	25%			●			85%	
	1.2.5 Reform of INCODER Implemented	20%			●			90%	
	1.2.6 Reform of MARD Implemented	5%			●			60%	
1.3 Rural property formalization program designed, including regulatory framework and institutional infrastructure	1.3.1 Design of formalization program	35%		✓				100%	82%
	1.3.2 Regulatory framework for land formalization	25%	✓					100%	
	1.3.3 Design of institutional structure for formalization program	10%	✓					100%	
	1.3.4 Formalization of Land Tenure Rights Policy Document developed	30%			●			40%	
PILLAR TWO: VICTIM'S POLICY:									
2.1 Victims' Law institutions designed	2.1.1 Design of Department of Social Prosperity (DAPS)	20%			●			95%	97%
	2.1.2 Design of Victims' Unit	50%			●			95%	
	2.1.3 Design of Regional Victims' Assistance Centers	20%		✓				100%	
	2.1.4 Design of Center for Historical Memory	10%		✓				100%	
	2.1.5 Design of Victims Registration System	0%		●					
2.2 National plan for Victims' humanitarian assistance and reparations	2.2.1 National Plan for victims' reparations in place	28%		✓				100%	95%
	2.2.2 Improved service delivery for victims	17%			●			90%	
	2.2.3 SNARIV Strengthened to Monitor Agency Action Plans	15%			●			85%	
	2.2.4 Support implementation of Cessation of Vulnerability Index	20%			●			97%	
	2.2.5 Design and implementation of regional reparations plans	20%		✓				100%	
2.3 Victims and civil society stakeholders participate in the implementation of the Victims' Law	2.3.1 Victims and stakeholder participation in policy design	100%		✓				100%	100%
PILLAR THREE: CONSOLIDATION PILLAR THREE: CONSOLIDATION POLICY									
3.1 National Consolidation Policy (NCP) framework revised and under implementation	3.1.1 Revised NCP framework	15%	✓					100%	86%
	3.1.2 Support for development and implementation of Regional Consolidation Action Plans	25%			●			85%	
	3.1.3 Improved service delivery in Consolidation Zones	30%			●			75%	
	3.1.4 Design of interagency and inter-governmental budget and coordination mechanisms	30%			●			90%	
3.2 Institutional structure designed to implement the NCP at the national and regional level	3.2.1 Design and Implementation of Consolidation Unit	70%			●			85%	90%
	3.2.2 Design of Consolidation Fund	30%		✓				100%	